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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JANUARY 1981

The January 1981 survey is the 126th in a series of survey of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to measure changes in consumer attitudes and expectations, and to increase understanding of why these changes occur and how they affect consumer decisions to make discretionary purchases or to save. This type of understanding is an essential ingredient for forecasting changes in aggregate consumer behavior.

Two charts are presented for most questions. One gives quarterly results from 1955 to the last quarterly observation. A second chart shows monthly results since January of 1978, when this series was instituted, along with a simple three month moving average, plotted on the last of the three months.

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CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

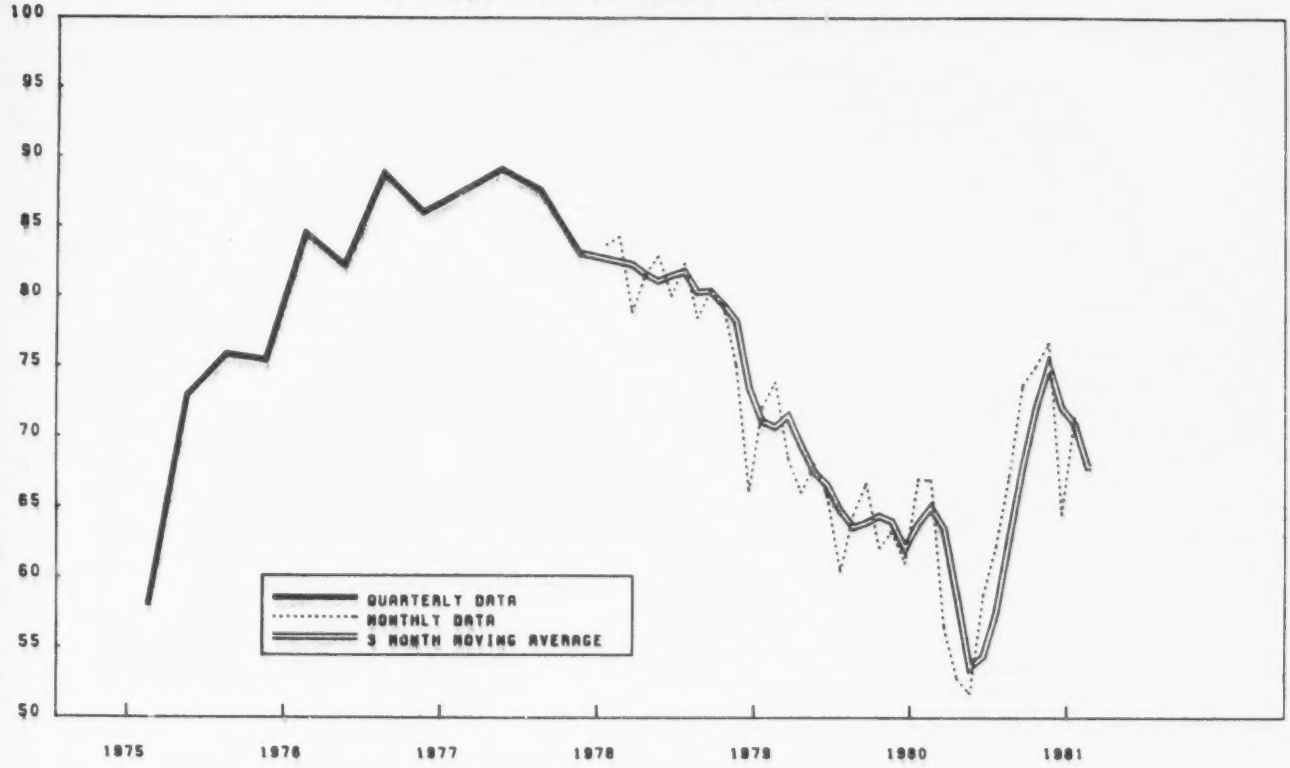

CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT

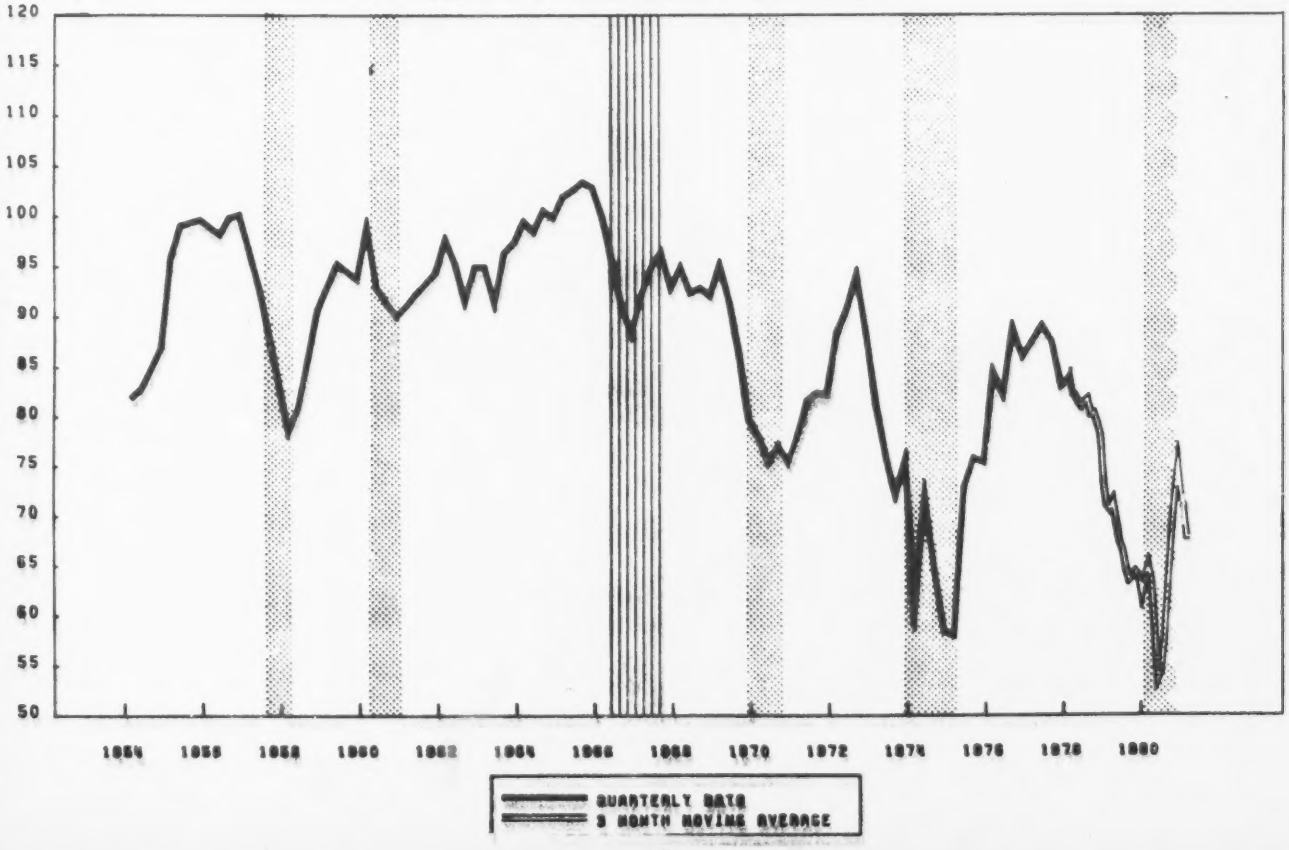

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
January 1978	83.7	95.6	94.7
February 1978	84.3	98.0	100.1
March 1978	78.8	87.5	93.8
April 1978	81.6	94.5	92.9
May 1978	82.9	87.1	90.0
June 1978	80.0	92.7	94.6
July 1978	82.4	91.7	92.4
August 1978	78.4	85.1	85.4
September 1978	80.4	87.2	87.2
October 1978	79.3	88.1	89.1
November 1978	75.0	81.0	83.0
December 1978	66.1	73.8	76.8
January 1979	72.1	83.7	84.8
February 1979	73.9	84.3	86.6
March 1979	68.4	75.3	73.6
April 1979	66.0	73.7	77.0
May 1979	68.1	73.5	76.7
June 1979	65.8	71.8	72.9
July 1979	60.4	67.2	68.0
August 1979	64.5	70.0	71.3
September 1979	66.7	71.6	74.4
October 1979	62.1	65.6	65.5
November 1979	63.3	68.3	69.9
December 1979	61.0	66.2	73.2
January 1980	67.0	70.8	70.9
February 1980	66.9	70.8	73.5
March 1980	56.5	62.3	64.5
April 1980	52.7	54.2	57.2
May 1980	51.7	55.2	53.3
June 1980	58.7	61.6	63.7
July 1980	62.3	67.6	67.3
August 1980	67.3	70.9	74.2
September 1980	73.7	78.1	78.5
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1

CHART 2A

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

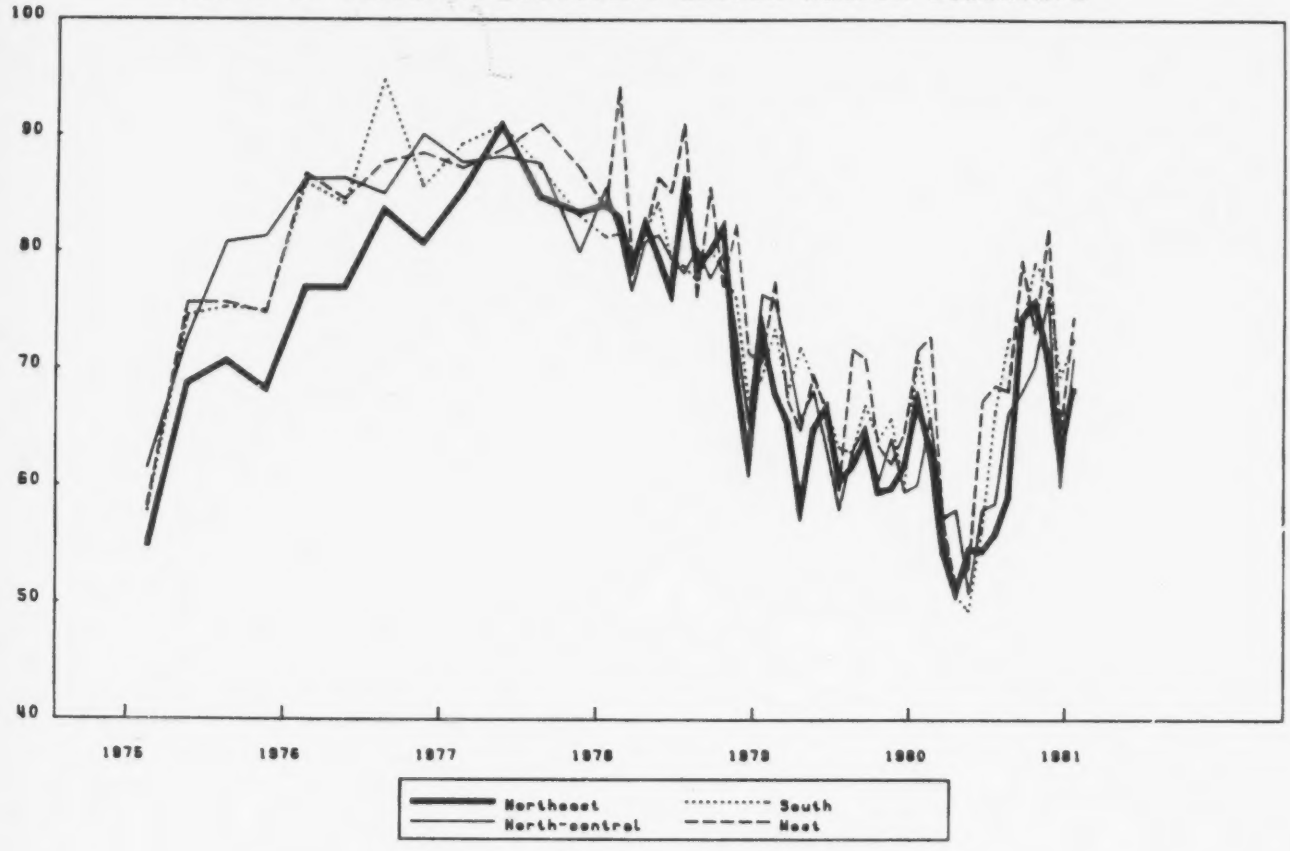

CHART 2B - RECENT CHANGES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
January 1978	84.1	85.5	81.3	83.7	93.7	86.7	75.0
February 1978	83.0	81.9	81.6	94.2	99.7	82.3	77.1
March 1978	78.7	76.7	79.7	79.6	91.7	76.8	68.8
April 1978	82.5	80.9	81.6	81.6	91.8	79.7	74.0
May 1978	79.7	81.5	84.3	86.4	95.1	78.9	74.5
June 1978	76.5	79.6	79.5	85.1	91.7	75.7	72.4
July 1978	85.4	78.2	78.8	91.0	92.2	78.4	77.4
August 1978	78.7	80.4	77.6	76.2	87.8	77.2	69.8
September 1978	80.1	77.8	80.3	85.6	86.6	83.9	72.1
October 1978	82.2	79.9	78.4	77.1	90.6	76.7	70.8
November 1978	69.6	73.1	76.1	82.4	82.5	73.3	69.0
December 1978	62.1	65.6	67.5	71.4	71.7	63.9	63.6
January 1979	73.5	76.4	69.3	70.6	82.7	70.6	63.2
February 1979	68.0	75.8	73.5	77.5	80.9	74.6	67.7
March 1979	65.5	71.3	68.0	67.4	77.9	64.7	63.3
April 1979	58.1	65.6	71.9	64.8	71.5	66.4	61.8
May 1979	64.9	68.2	69.1	69.6	74.6	65.3	64.1
June 1979	66.8	63.3	66.8	66.3	71.2	62.9	63.9
July 1979	60.4	58.0	63.3	59.7	67.7	60.9	54.1
August 1979	61.7	63.0	62.9	71.7	72.1	64.0	58.2
September 1979	64.1	65.2	67.0	70.9	71.5	66.8	63.2
October 1979	59.5	60.4	64.0	63.5	69.5	58.3	60.1
November 1979	59.8	64.1	65.8	61.9	70.8	60.7	57.3
December 1979	61.7	59.5	59.7	64.6	68.1	57.1	59.3
January 1980	67.4	60.1	71.3	71.6	75.5	63.1	61.6
February 1980	63.0	65.9	65.7	72.8	74.3	65.7	60.5
March 1980	54.4	57.3	56.7	56.9	61.4	56.2	50.7
April 1980	50.9	58.0	50.7	51.5	60.5	43.6	51.8
May 1980	54.6	50.8	49.3	53.0	62.8	46.6	43.4
June 1980	54.4	58.0	56.4	67.3	65.9	53.5	58.1
July 1980	55.9	58.5	66.4	68.6	69.9	58.1	58.8
August 1980	59.0	66.2	72.6	68.1	72.0	64.8	66.0
September 1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October 1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November 1980	71.1	76.2	77.3	81.9	83.3	73.5	70.3
December 1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January 1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

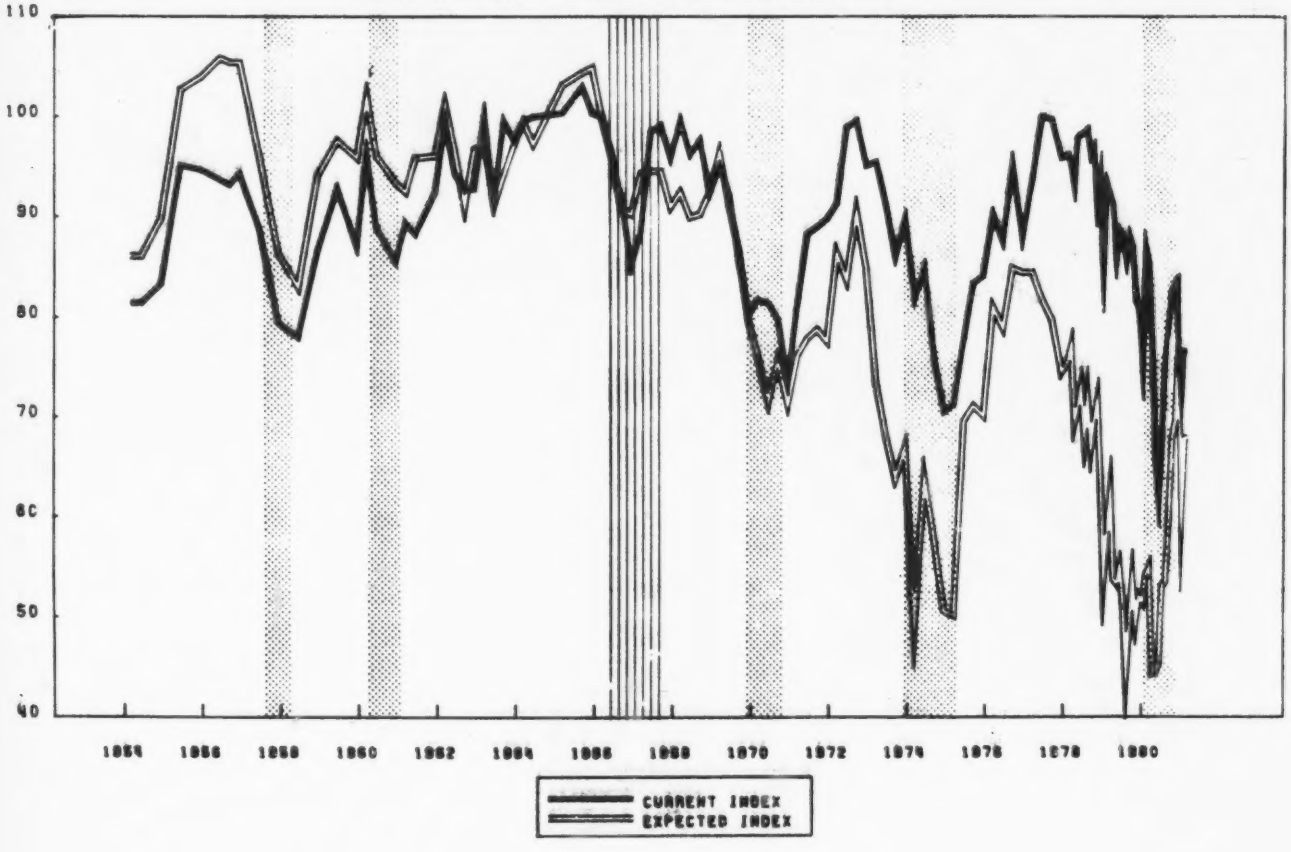

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
January	1978	105	114	106	80	142	96.2	75.7
February	1978	106	109	103	89	139	95.4	77.2
March	1978	100	107	91	76	140	93.2	69.5
April	1978	104	112	99	71	148	98.0	71.1
May	1978	105	111	99	79	147	98.2	73.0
June	1978	107	102	97	71	146	98.4	68.1
July	1978	108	111	105	69	146	98.7	72.0
August	1978	101	112	82	70	145	96.1	67.0
September	1978	109	109	96	71	140	96.9	69.8
October	1978	96	104	103	77	138	91.2	71.7
November	1978	106	106	74	67	135	94.1	62.8
December	1978	95	96	61	53	123	85.2	53.8
January	1979	101	99	72	58	139	93.3	58.4
February	1979	98	98	75	71	138	92.2	62.2
March	1979	96	99	57	53	138	91.2	53.7
April	1979	85	90	63	55	134	85.9	53.3
May	1979	91	95	58	62	136	88.7	54.9
June	1979	92	91	54	55	134	88.2	51.4
July	1979	90	92	39	40	130	85.7	44.2
August	1979	95	98	46	48	131	88.2	49.3
September	1979	90	98	60	51	133	87.1	53.6
October	1979	83	96	48	49	126	81.6	49.5
November	1979	86	97	52	54	120	80.9	52.0
December	1979	83	101	50	50	110	75.8	51.5
January	1980	96	106	58	47	127	87.1	54.1
February	1980	85	99	55	60	134	85.5	54.9
March	1980	76	92	38	41	116	75.3	44.3
April	1980	73	94	32	45	94	65.8	44.4
May	1980	79	100	31	44	77	61.7	45.3
June	1980	78	101	43	63	93	67.4	53.0
July	1980	90	105	45	58	104	76.1	53.4
August	1980	93	111	63	60	109	79.4	59.6
September	1980	91	117	83	69	121	82.7	67.9
October	1980	90	108	84	83	123	83.4	69.6
November	1980	83	118	94	93	112	76.4	76.9
December	1980	77	100	64	73	104	71.2	60.2
January	1981	80	109	78	81	116	76.7	67.9

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE") plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

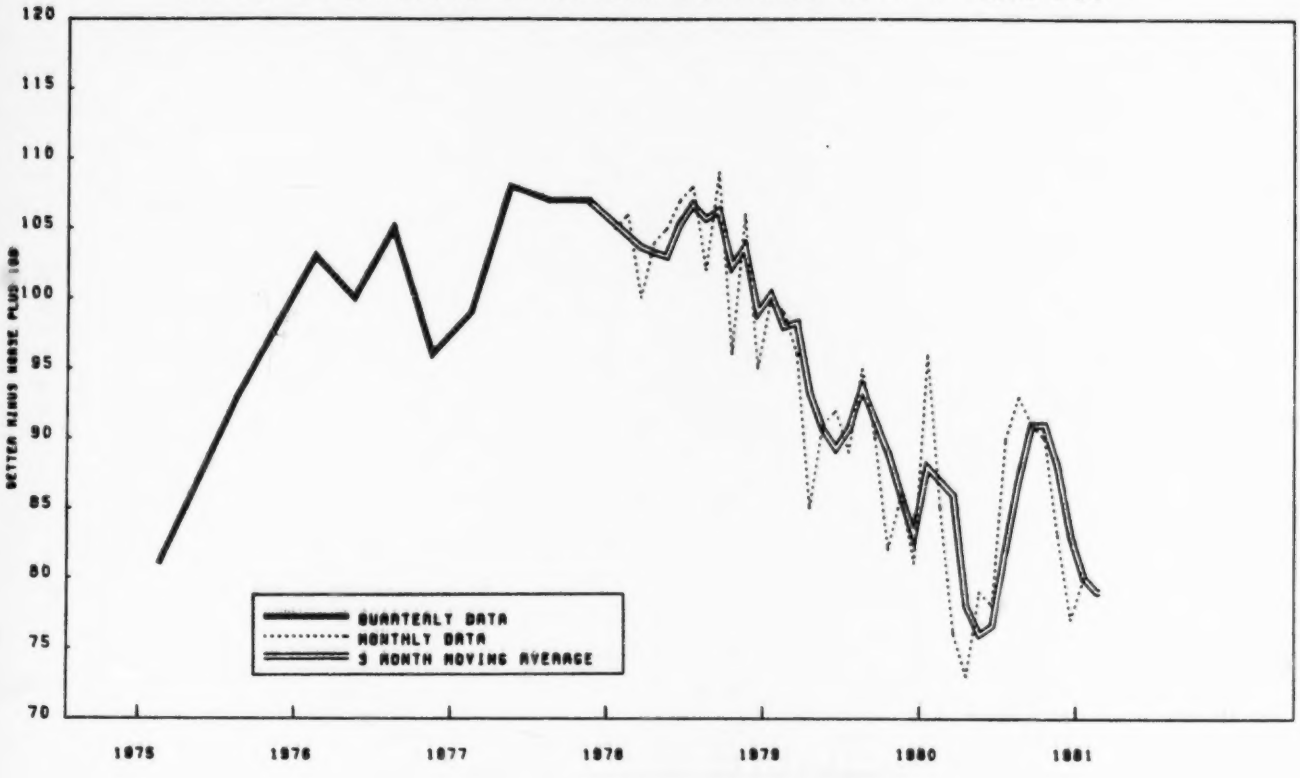

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

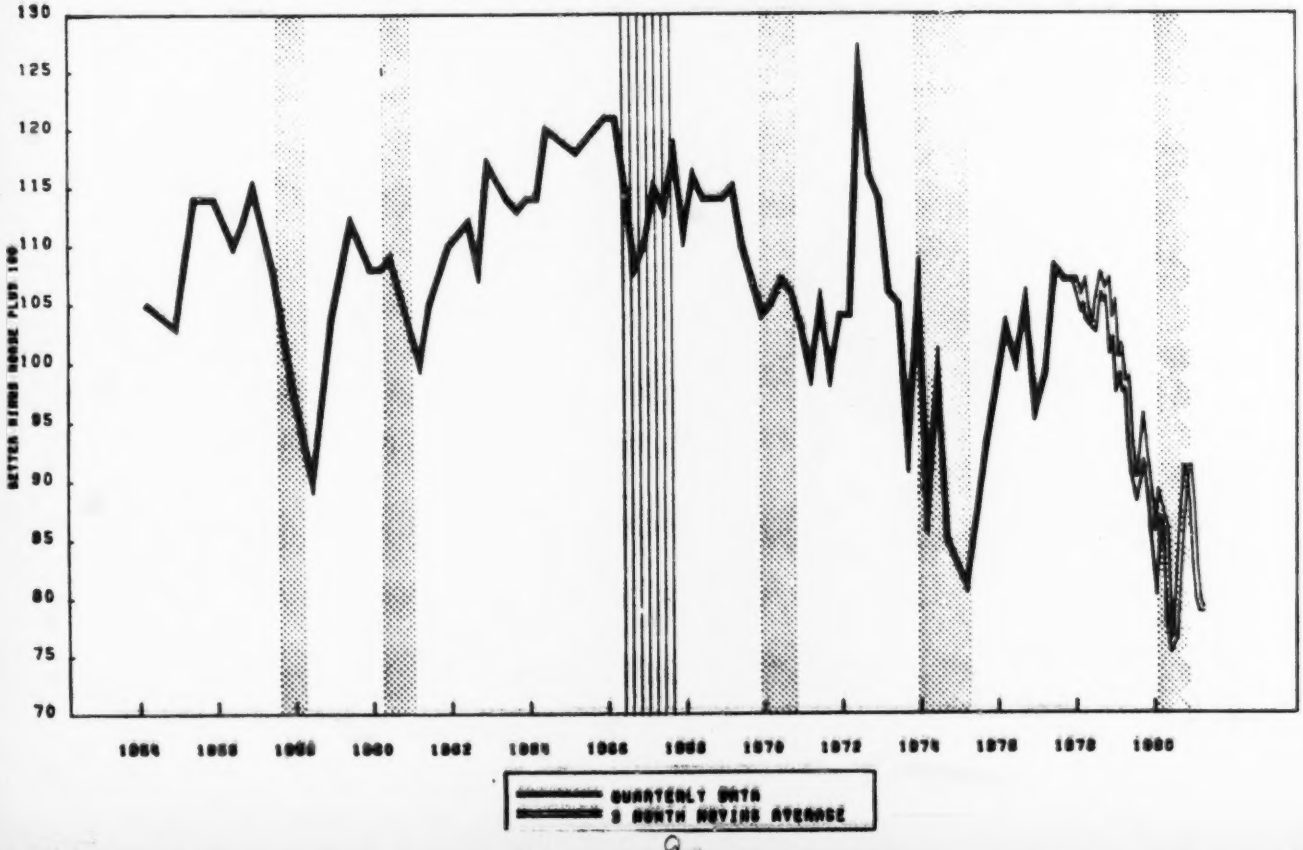

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER OFF	34%	30%	24%	24%	26%	25%	30%	33%	31%	30%	28%	25%	25%
SAME	28	25	28	25	26	26	29	26	27	30	26	26	30
WORSE OFF	38	45	48	51	47	47	40	40	40	40	45	48	45
DK,NA	*	*	*	*	1	2	1	1	2	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR FINANCIAL SITUATION COMPARED TO A YEAR AGO

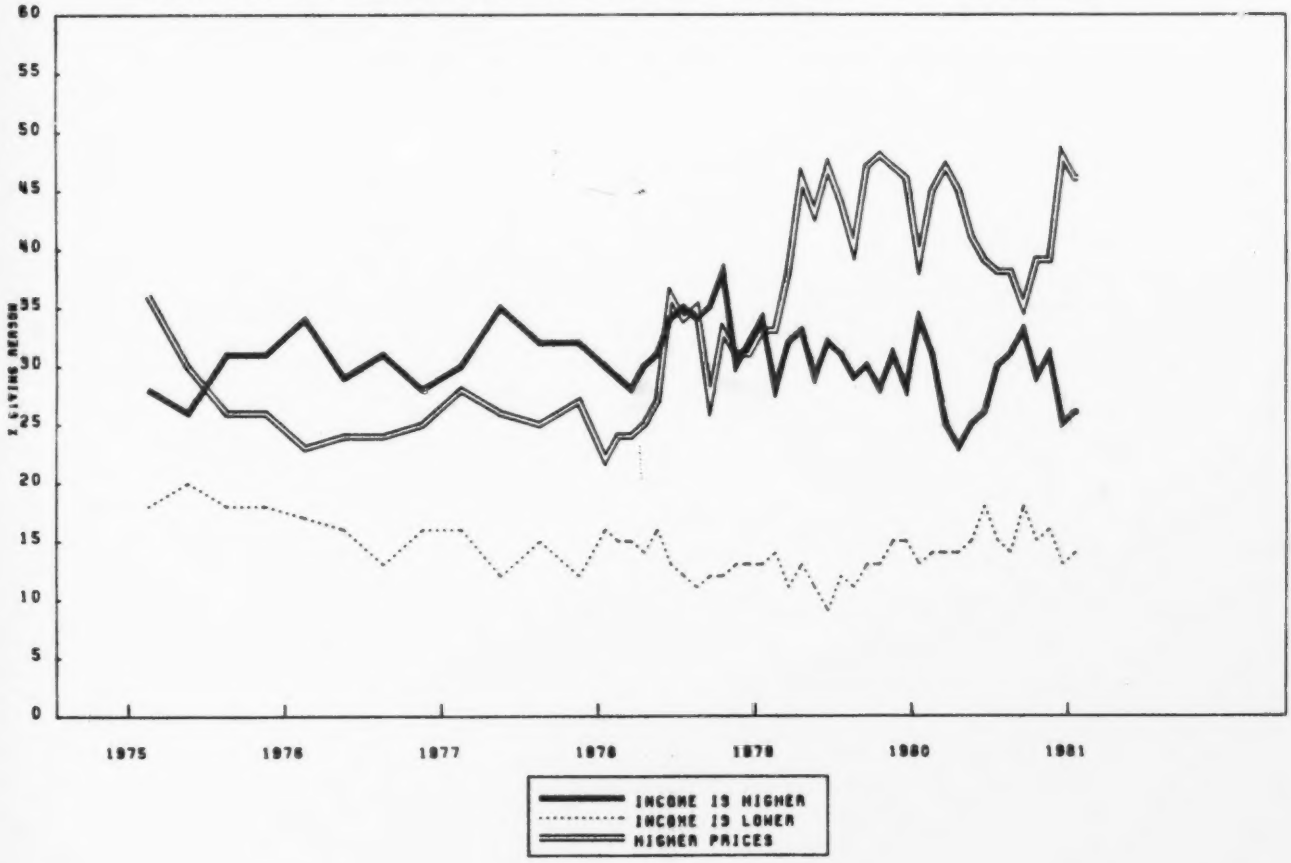

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER OFF THAN YEAR AGO:													
Income is higher	34%	31%	25%	23%	25%	26%	30%	31%	33%	29%	31%	25%	26%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	14	14	14	15	18	15	14	18	15	16	13	14
Higher prices	39	45	47	45	41	39	38	38	35	39	39	48	46

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

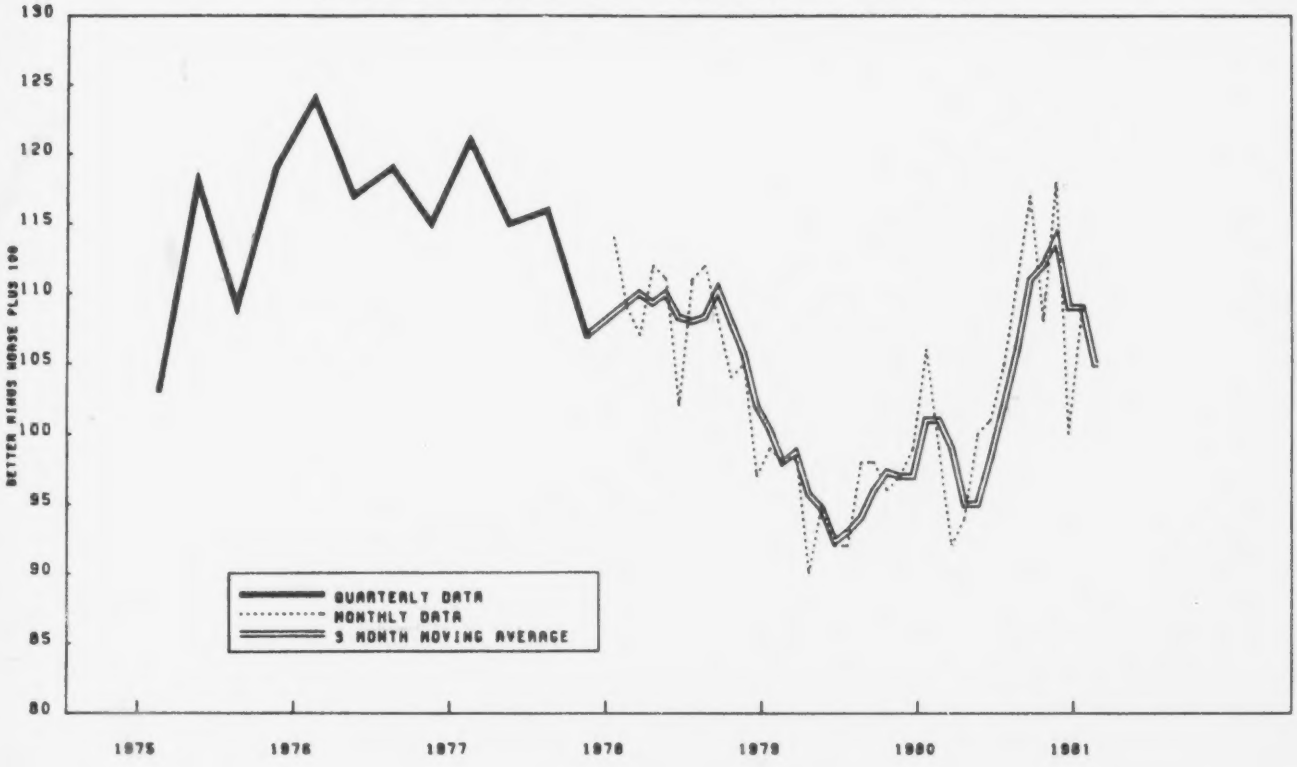

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

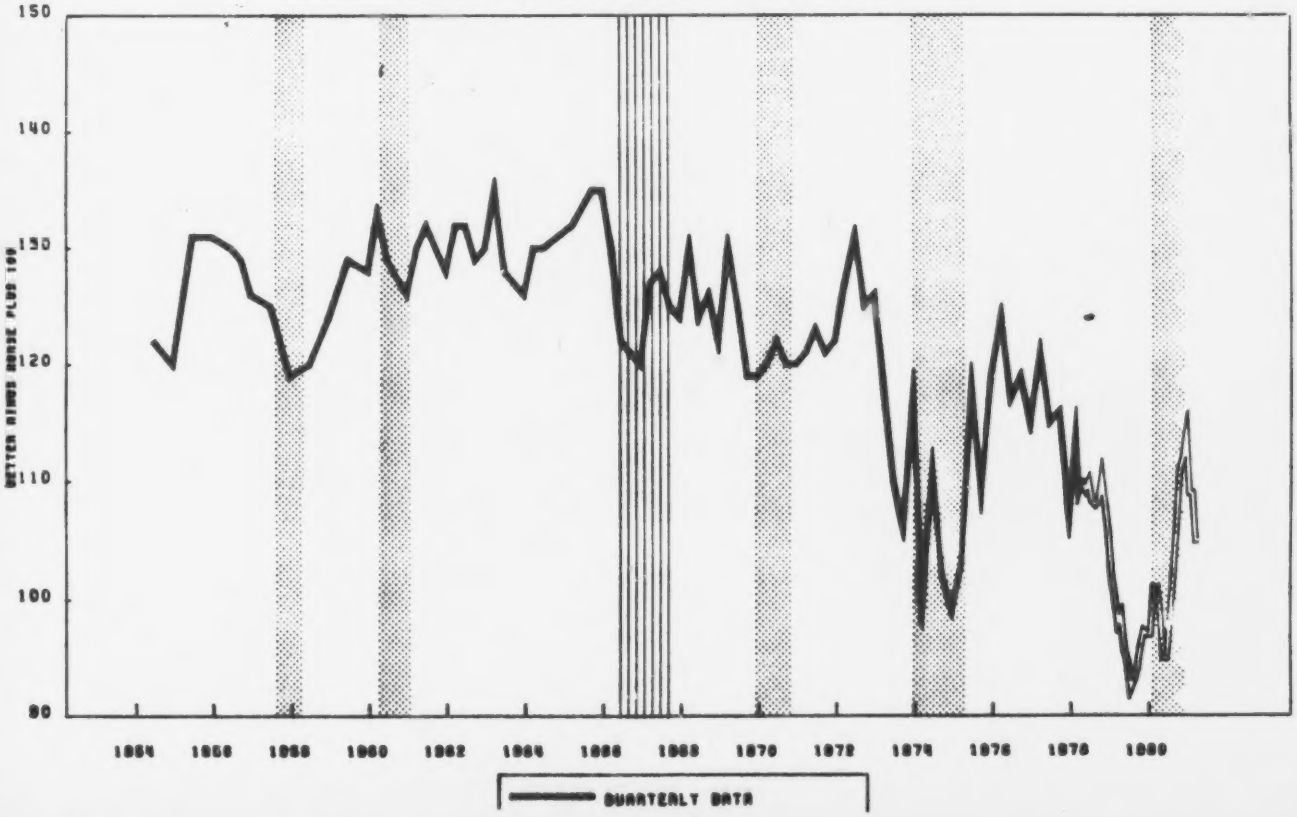

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER OFF	28%	25%	20%	25%	27%	26%	26%	30%	34%	25%	35%	25%	27%
SAME	46	45	47	42	43	46	48	48	45	50	42	45	48
WORSE OFF	22	26	28	31	27	25	21	19	17	17	17	25	18
DK,NA	4	4	5	2	3	3	5	3	4	8	6	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

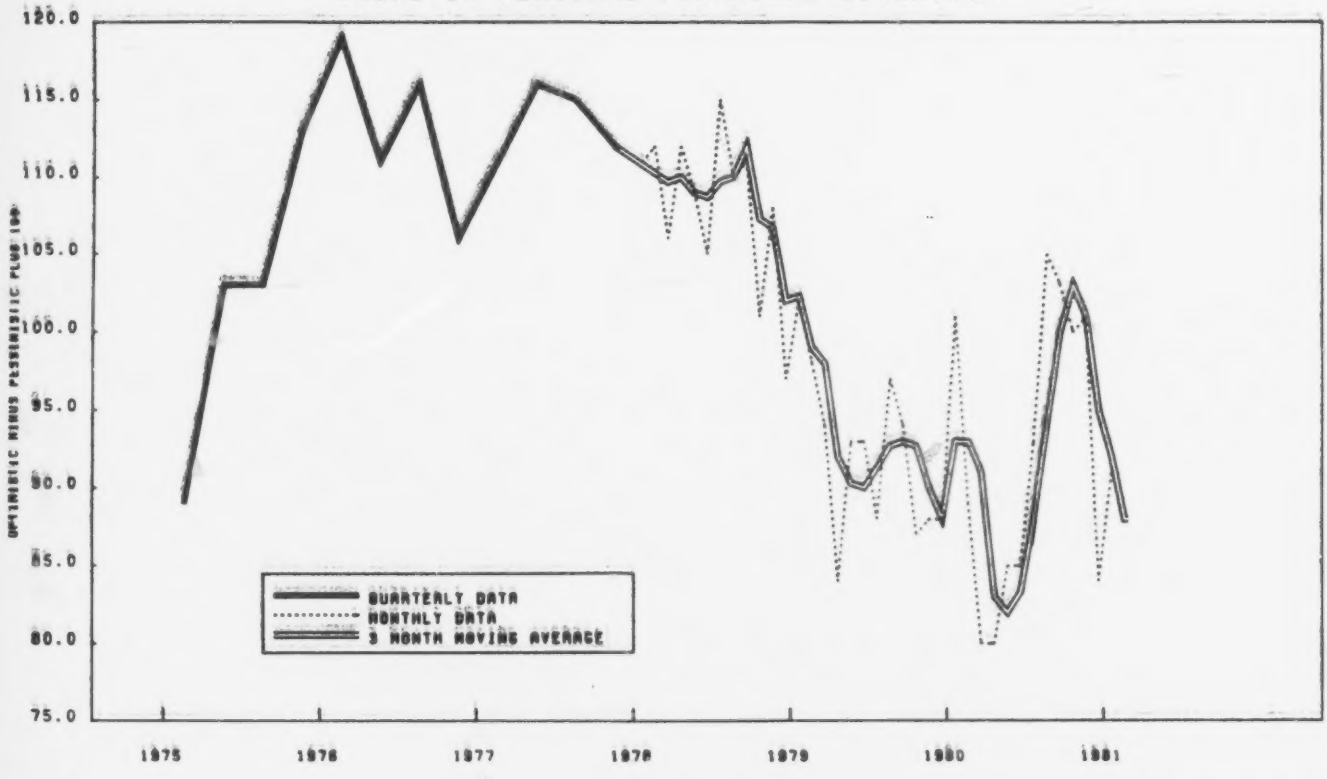

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

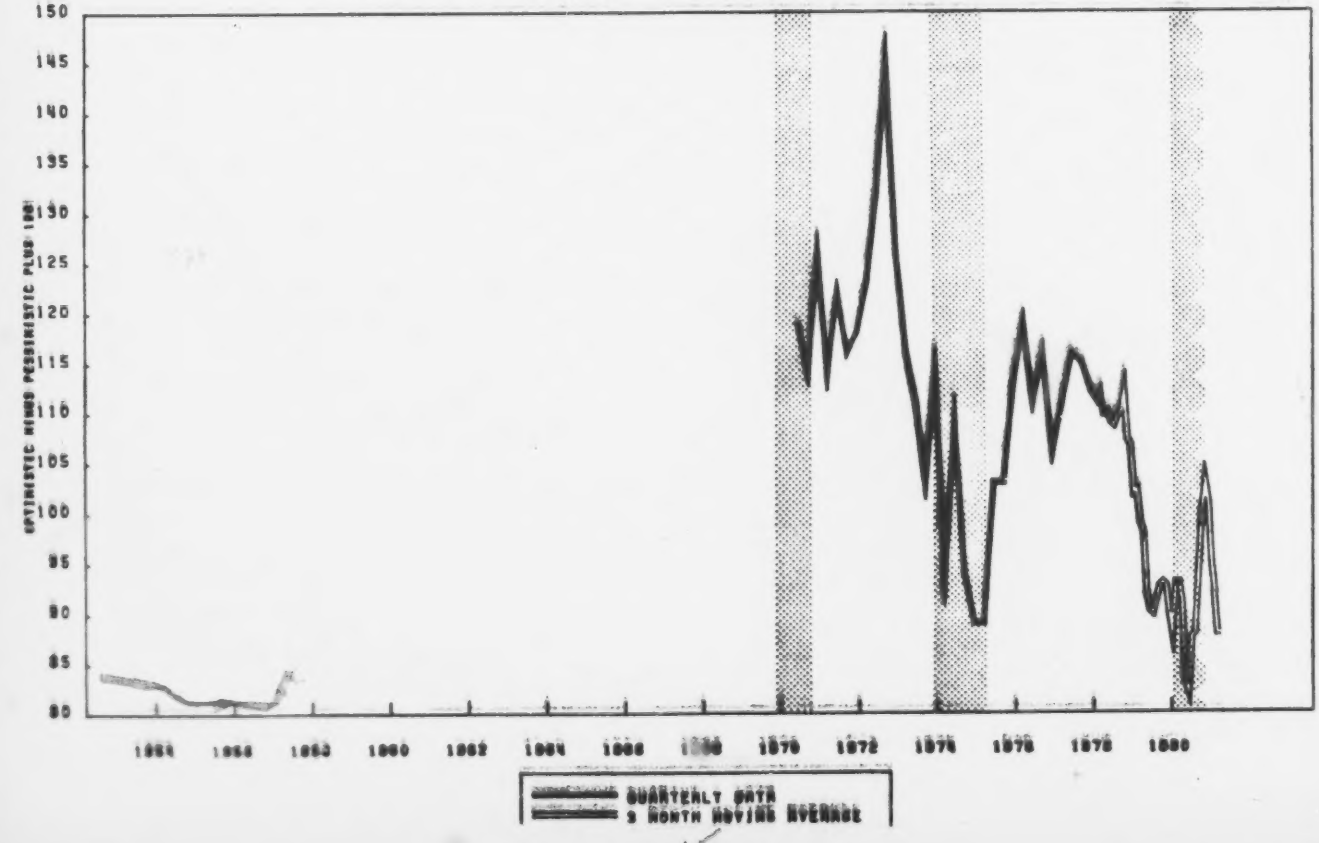

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	15%	13%	7%	8%	11%	10%	12%	12%	14%	12%	13%	9%	10%
Intermittant increase (b)	21	19	16	16	17	16	19	22	19	20	19	18	17
Remain unchanged (c)	16	12	15	14	12	14	14	16	15	18	13	12	16
Intermittant decline (d)	20	25	27	23	27	27	28	17	21	21	22	28	25
Continuous decline (e)	14	18	17	21	16	14	10	12	9	11	9	15	11
Mixed change (f)	10	10	13	16	14	15	11	18	16	10	18	13	14
DK,NA	4	3	5	2	3	4	6	3	6	8	6	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan 198
EXPECT INCREASE:													
1-4%	na	6%	na	5%	6%	5%	5%	6%	7%	8%	5%	8%	6
5%		8		8	7	7	8	10	7	7	10	7	8
6-9%		14		14	12	13	11	15	16	15	10	12	10
10-24%		20		23	24	25	20	20	21	21	26	22	21
25% or more		9		7	6	8	5	6	5	7	7	7	6
DK how much up		7		7	8	8	10	9	10	10	8	8	9
EXPECT SAME		24		25	22	21	21	21	21	21	24	22	24
EXPECT DOWN		10		9	13	12	18	11	10	9	7	11	12
DK,NA		2		2	2	1	2	2	3	2	3	3	4
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100
CASES		1019		719	703	688	668	658	682	685	694	684	69

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

na : Not available.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

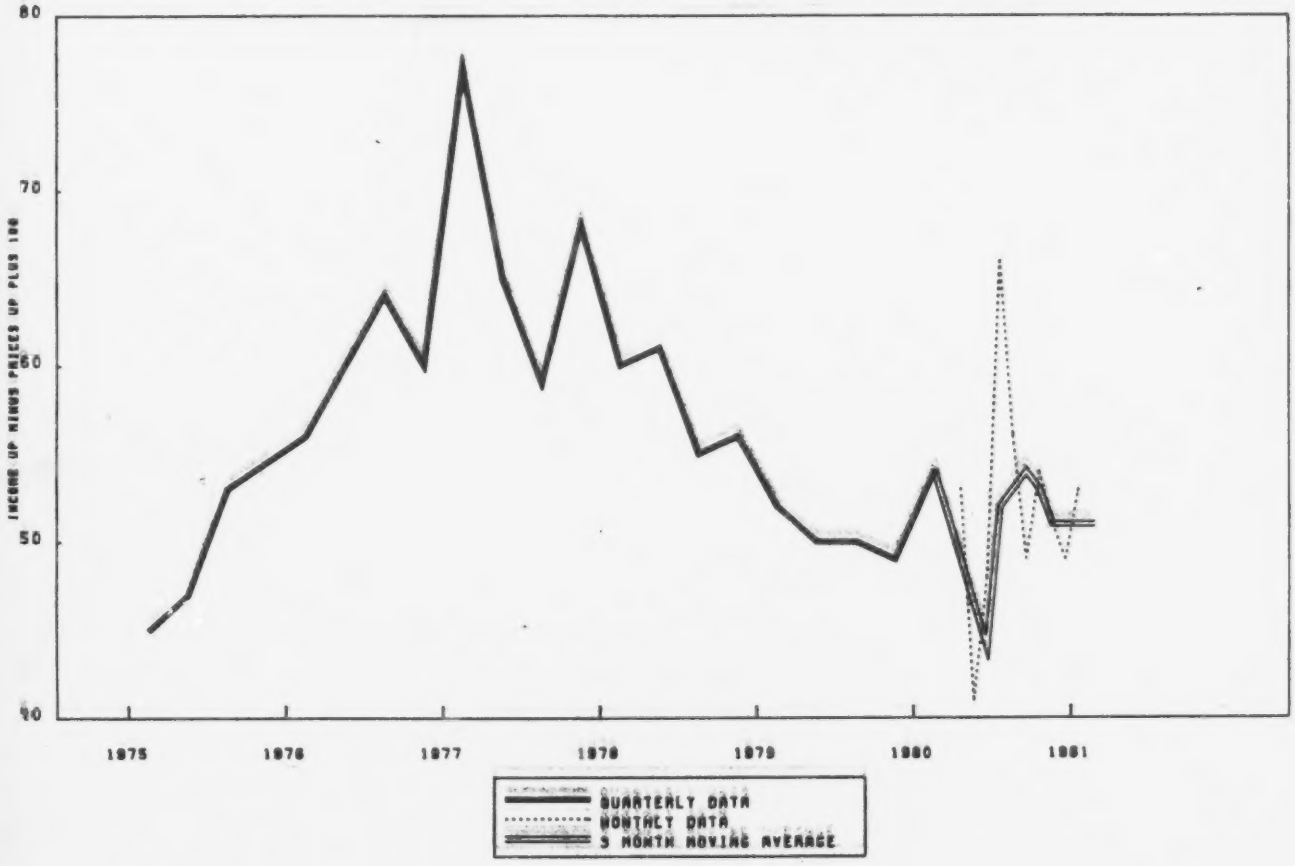

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1930	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
INCOME UP MORE	na	13%	na	11%	8%	11%	12%	13%	12%	13%	10%	11%	13%
INCOME UP SAME		27		22	22	25	30	29	24	25	30	24	25
PRICES UP MORE		59		66	67	63	56	57	63	59	59	62	60
DK,NA		1		1	3	1	2	1	1	3	1	3	2
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		1019		719	703	688	668	658	682	685	694	684	698

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

na : Not available.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

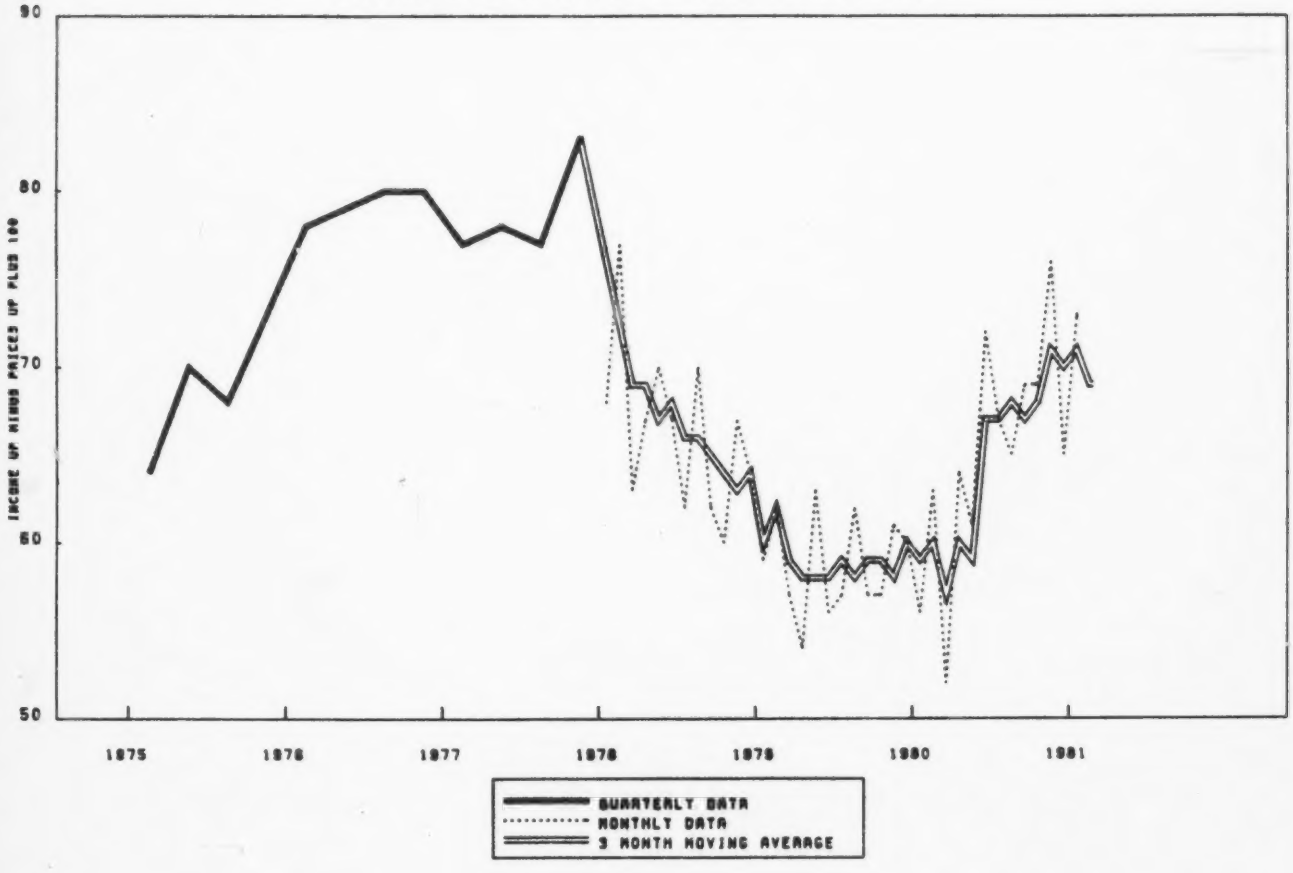

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
INCOME UP MORE	8%	14%	8%	12%	12%	14%	12%	11%	14%	12%	16%	12%	14%
INCOME UP SAME	36	33	32	37	34	41	38	40	38	42	42	36	39
PRICES UP MORE	52	51	56	48	51	42	45	46	45	43	40	47	41
DK,NA	4	2	4	3	3	3	5	3	3	3	2	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES

TREND IN INCOME AND PRICE COMPARISON

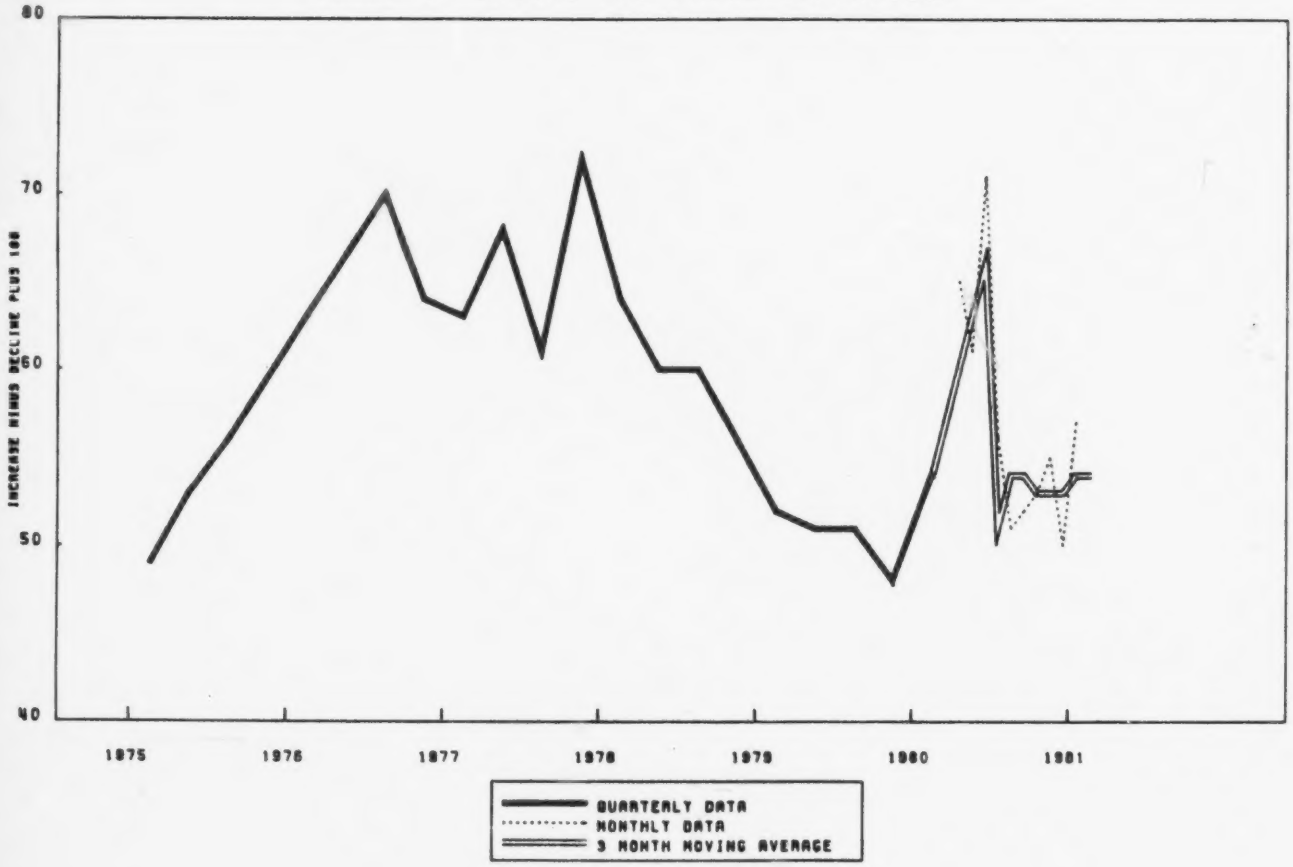

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
REAL INCOME PROGRESS:													
Continuous increase (a)	na	7%	na	4%	2%	5%	5%	3%	5%	6%	6%	5%	6%
Intermittant increase (b)		8		8	9	8	9	11	9	6	9	7	8
Remain unchanged (c)		16		13	11	16	17	17	14	18	17	14	17
Intermittant decline (d)		19		24	22	26	23	22	23	25	27	24	22
Continuous decline (e)		42		41	44	35	35	37	39	34	33	38	35
Mixed change (f)		6		6	6	7	5	6	6	7	5	6	6
DK,NA		2		4	6	3	6	4	4	4	3	6	6
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		1019		719	703	688	668	658	682	685	694	684	698

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

na : Not available.

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

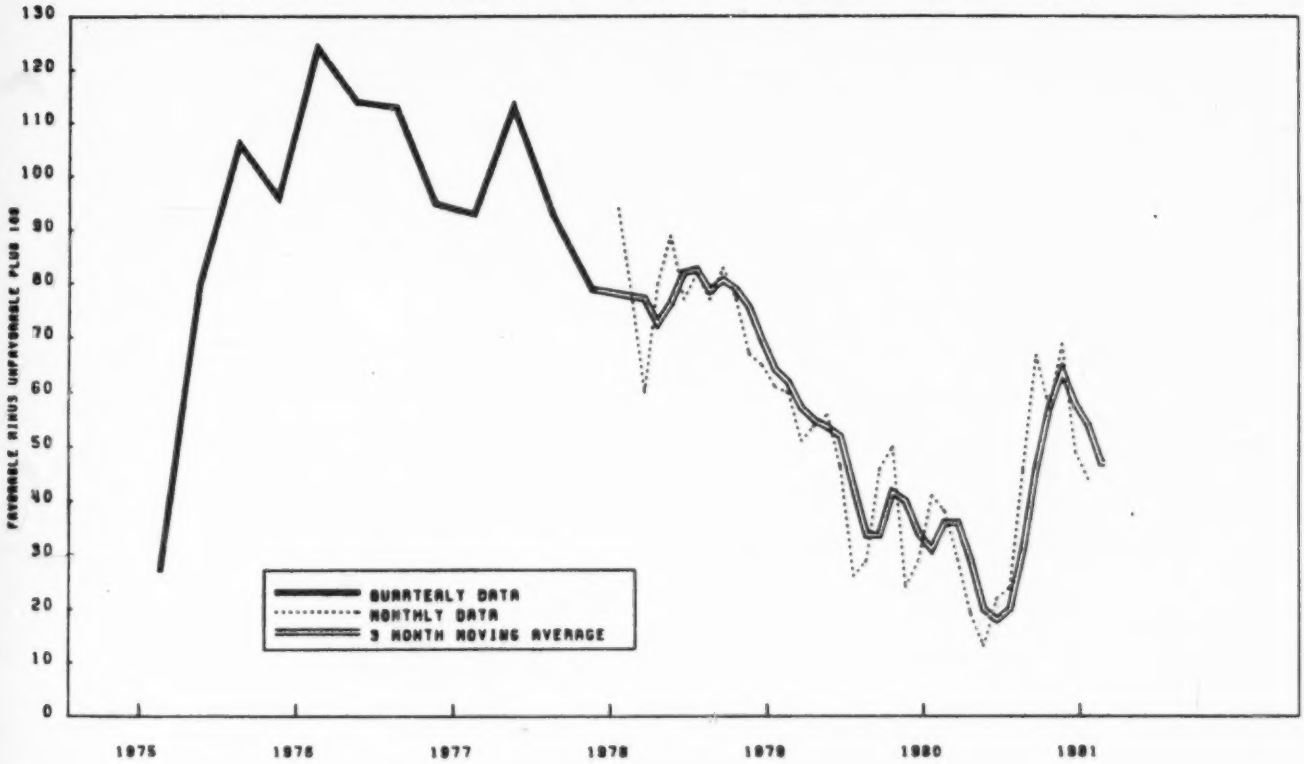

CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

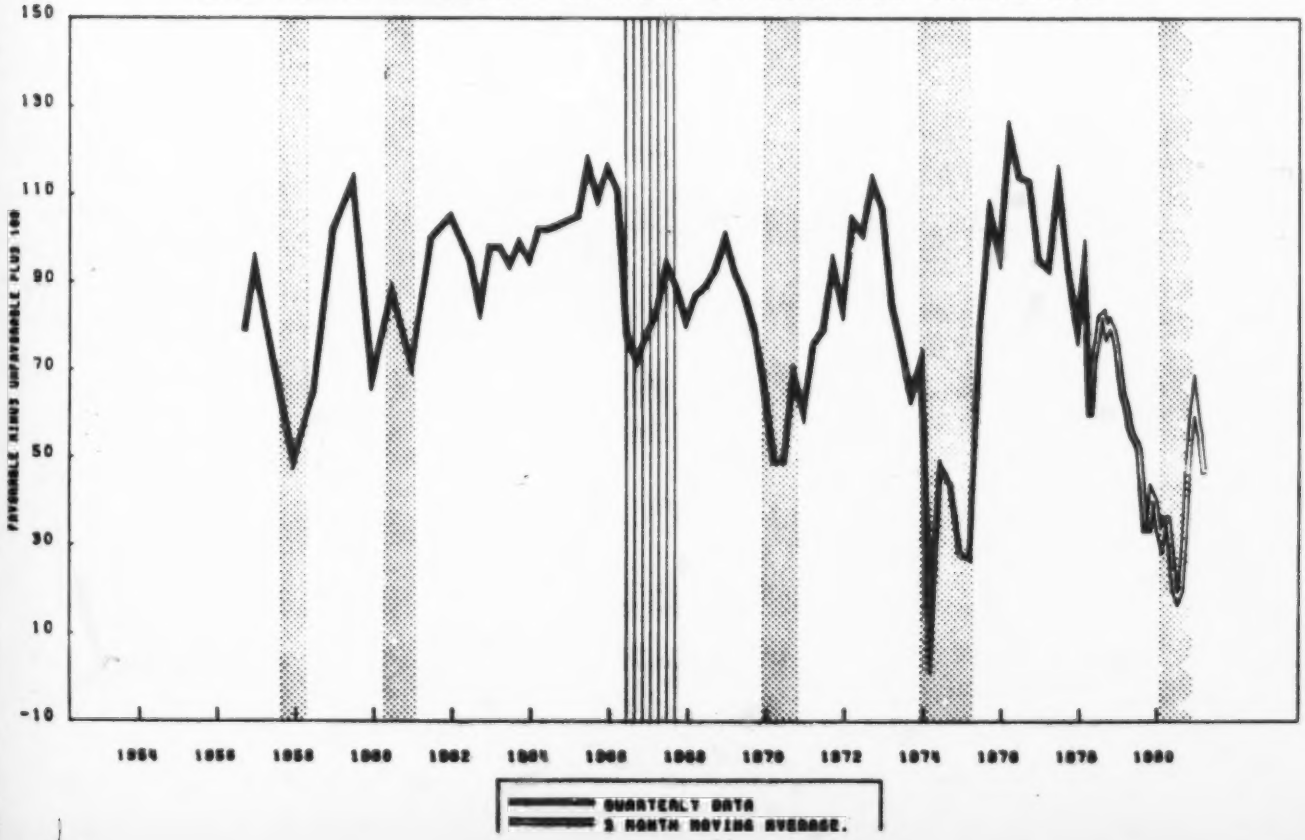

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
FAVORABLE NEWS	17%	14%	11%	10%	10%	15%	19%	24%	30%	29%	27%	17%	19%
UNFAVORABLE NEWS	76	76	82	91	97	93	95	78	63	72	58	68	75
NO MENTIONS	39	41	41	35	30	29	30	34	38	33	47	44	39

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
FAVORABLE NEWS:													
Government; elections	*	1%	1%	1%	*	1%	*	1%	2%	1%	7%	4%	4%
Employment	6	5	3	3	1	3	4	7	7	10	7	5	4
Consumer demand high	1	1	1	1	*	1	1	1	3	3	2	1	2
Prices are low	1	1	*	1	1	1	1	*	1	2	1	*	*
Credit is easy	1	1	*	*	5	7	7	8	7	3	1	*	3
UNFAVORABLE NEWS:													
Government; elections	4	3	3	3	4	2	4	3	1	4	3	2	4
Unemployment	18	19	14	21	40	50	43	31	25	26	21	18	19
Consumer demand low	8	10	8	9	10	9	12	12	8	8	8	11	14
Prices are high	16	14	17	17	11	8	12	13	10	10	9	8	11
Credit is tight	7	9	22	24	16	9	5	5	8	12	9	19	14
Energy crisis	4	4	1	1	*	1	1	1	*	1	*	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

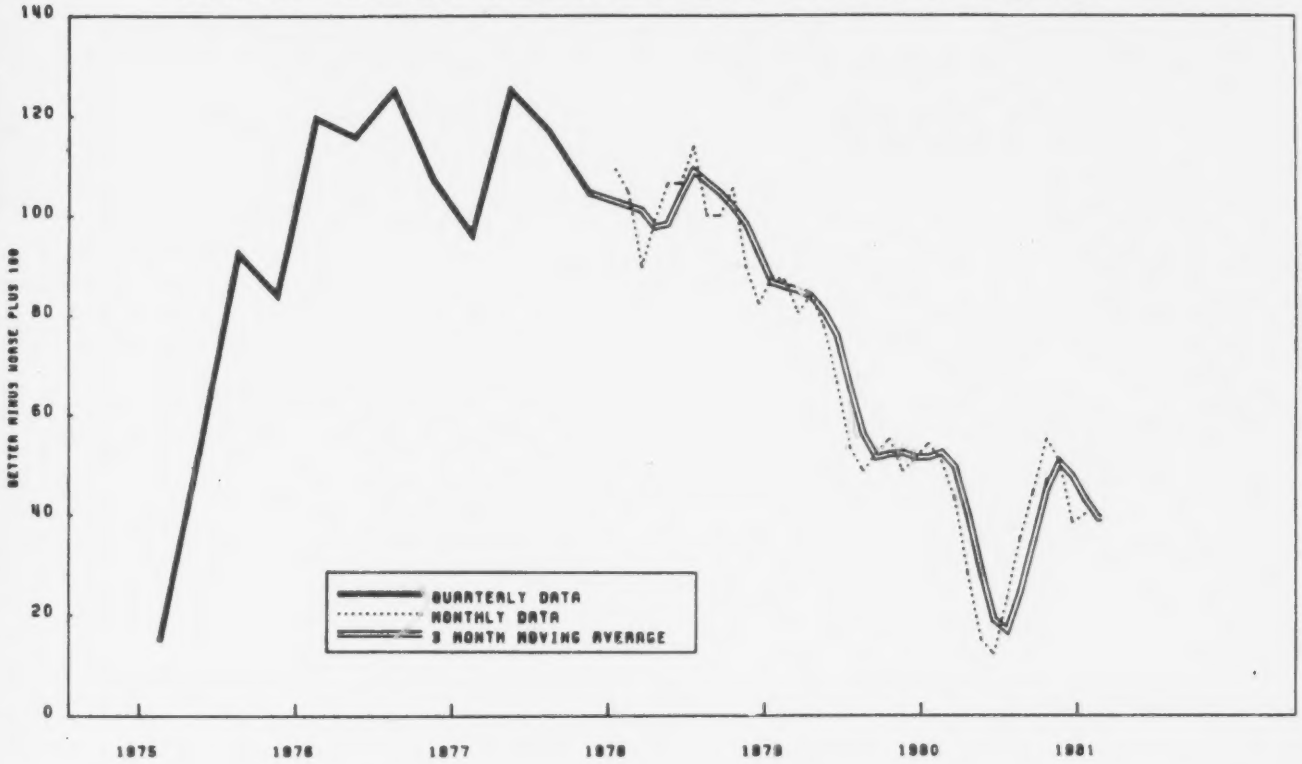

CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

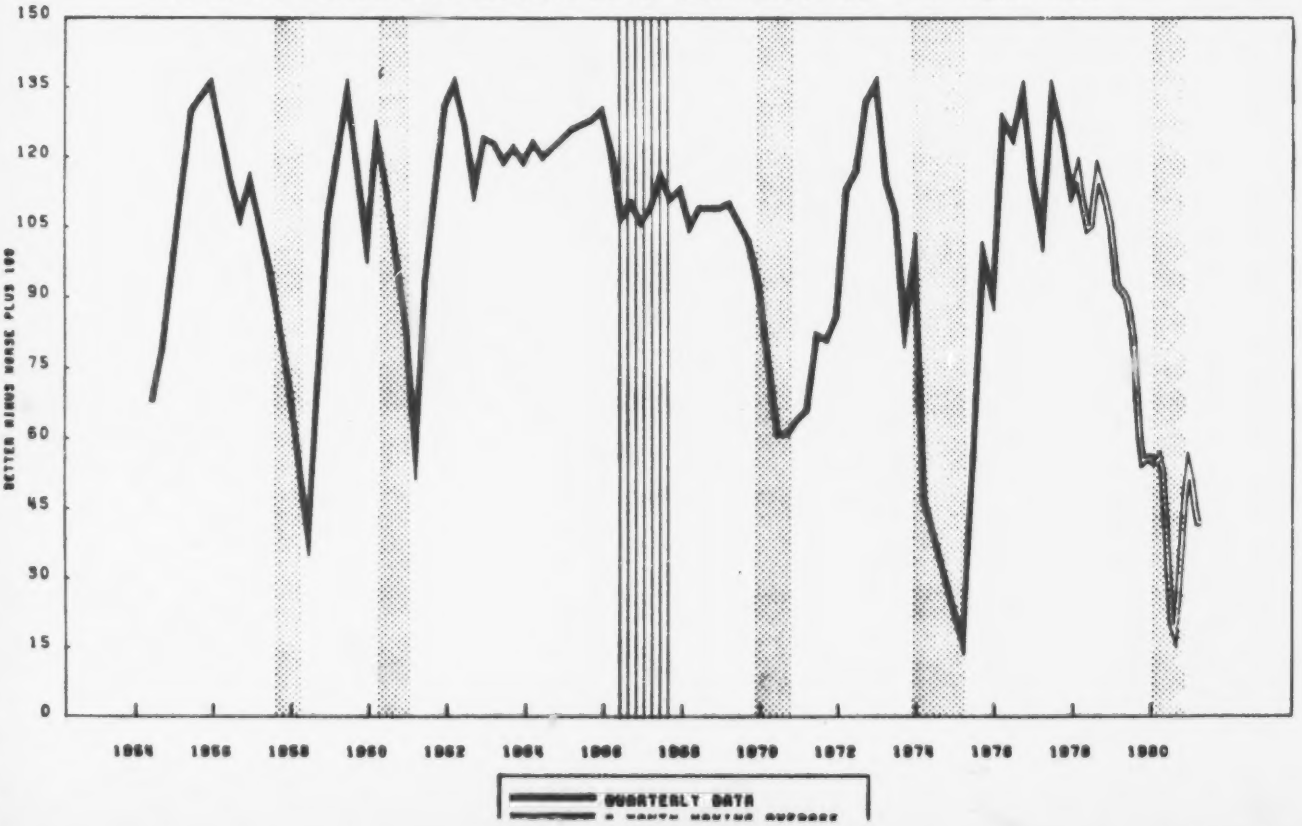

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER NOW	21%	21%	15%	10%	6%	4%	10%	5%	18%	23%	21%	13%	14%
SAME	14	10	12	10	4	5	4	7	10	10	10	12	13
WORSE NOW	62	67	69	79	90	90	85	77	70	64	67	72	71
DK,NA	3	2	4	1	*	1	1	1	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

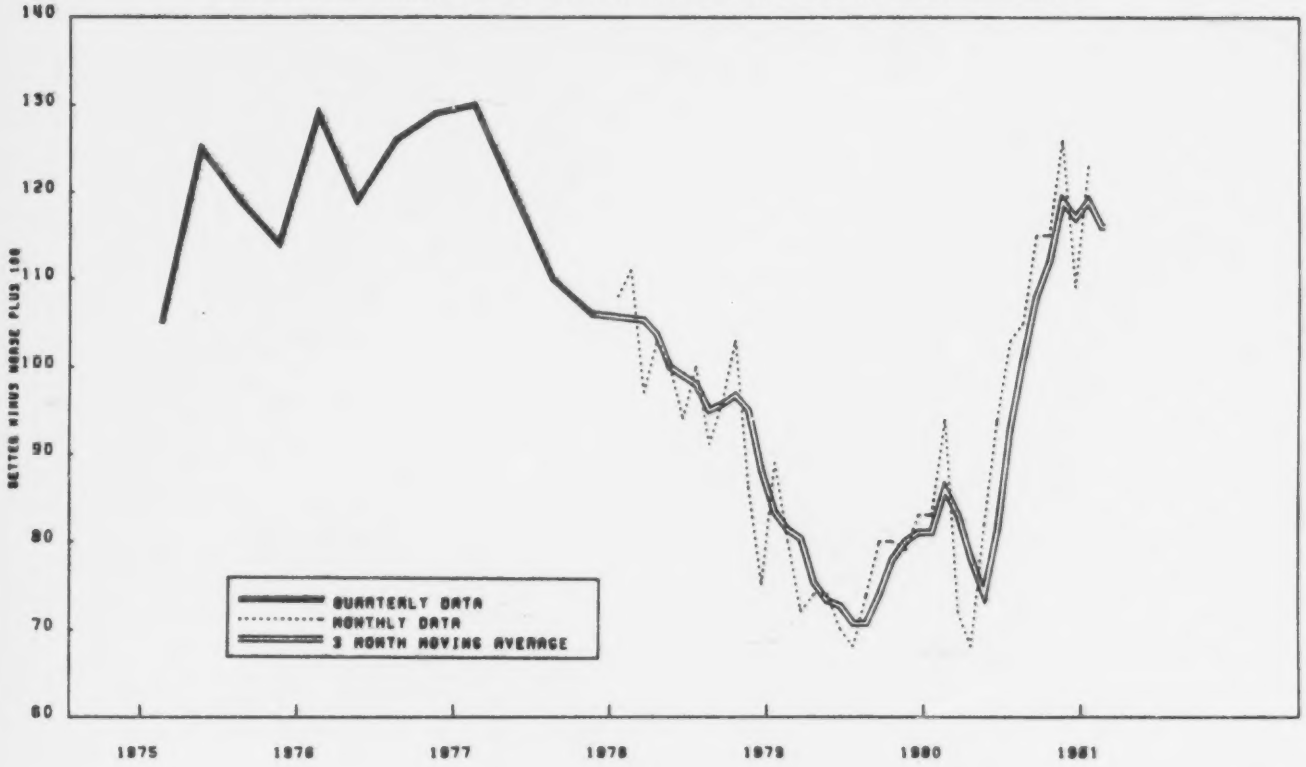

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

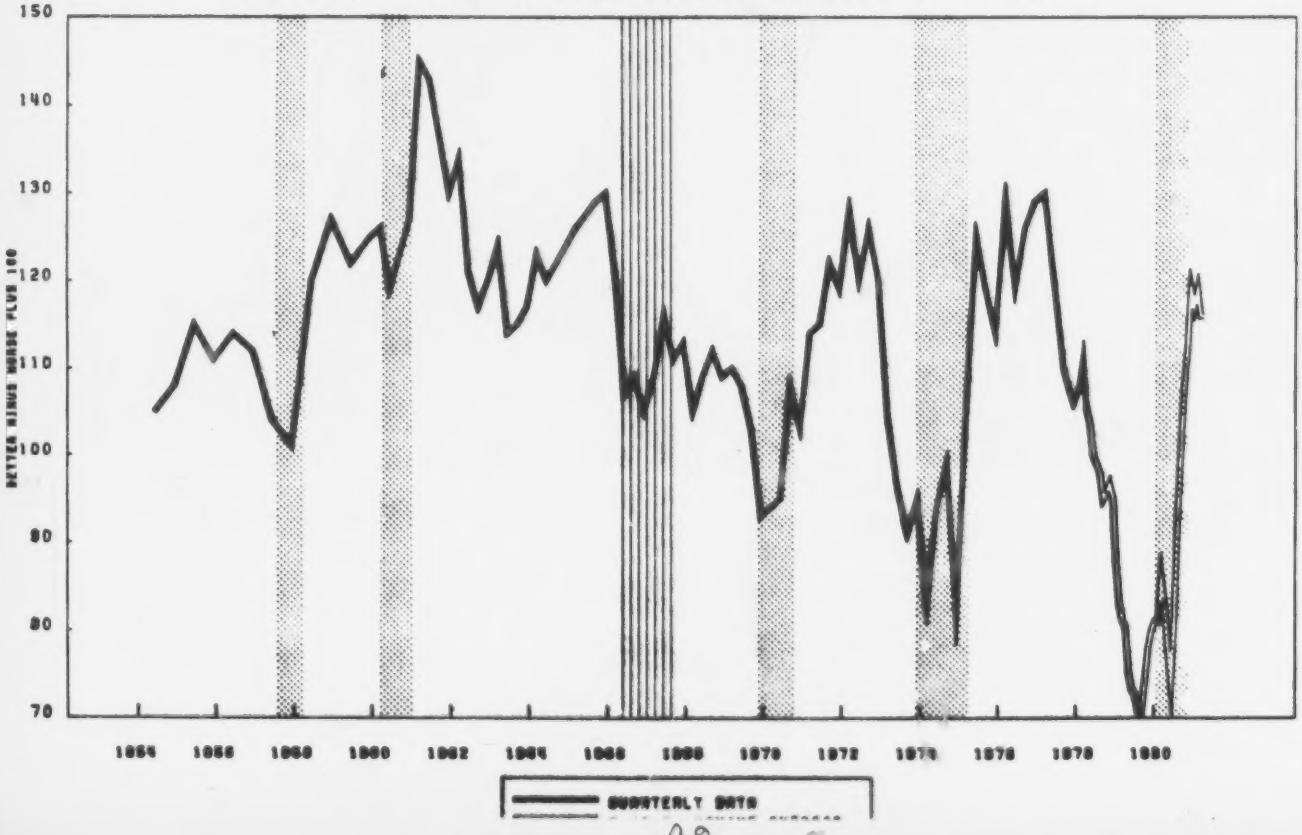

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
BETTER	17%	21%	14%	14%	21%	26%	28%	28%	32%	33%	40%	29%	39%
SAME	45	49	42	37	37	38	43	44	47	44	42	46	42
WORSE	35	27	42	46	39	32	25	23	17	18	14	20	16
DK,NA	3	3	2	3	3	4	4	5	4	5	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
FAVORABLE REASONS:													
Government; elections	na	11%	na	8%	11%	10%	15%	14%	15%	16%	34%	27%	35%
Employment		4		2	2	3	4	4	5	5	5	3	4
Higher consumer demand		3		1	3	1	2	3	4	5	3	2	2
Lower prices		1		3	2	3	1	1	3	3	2	3	2
Easier credit		1		1	4	5	2	3	3	2	3	2	4
UNFAVORABLE REASONS:													
Government; elections		13		15	7	7	12	7	7	11	7	8	7
Unemployment		5		11	14	12	10	7	6	4	5	8	7
Lower consumer demand		7		6	5	5	6	7	3	2	2	6	5
Higher prices		16		25	14	10	9	14	10	10	8	10	8
Tighter credit		3		12	6	4	2	2	2	2	2	7	4
Energy crisis		6		3	2	1	1	1	1	1	1	*	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

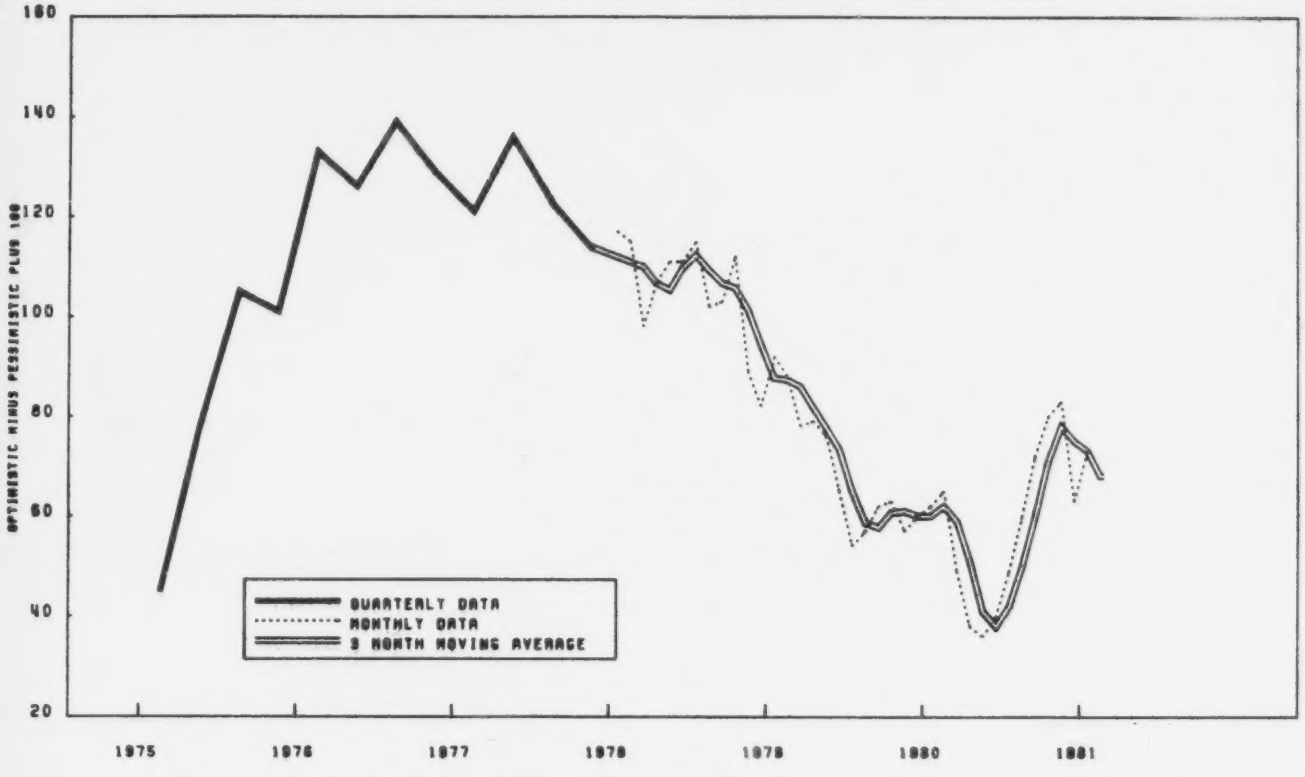

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

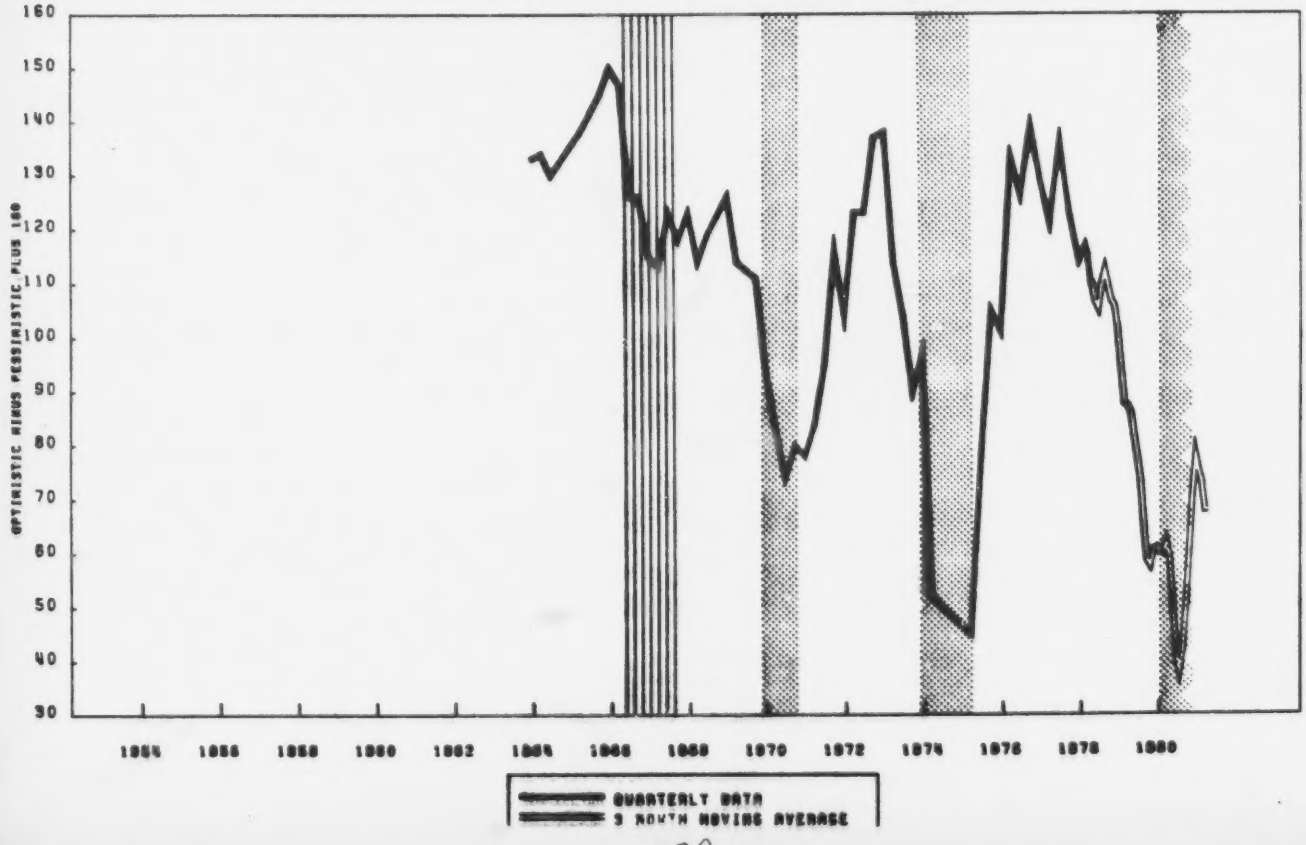

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
TREND:													
Continuous increase (a)	6%	8%	3%	4%	1%	1%	2%	5%	9%	9%	11%	5%	6%
Intermittant increase (b)	10	12	9	6	5	4	7	9	10	13	14	10	11
Remain unchanged (c)	9	6	6	3	1	2	1	3	6	5	4	5	7
Intermittant decline (d)	30	33	31	32	34	35	37	35	33	28	29	36	30
Continuous decline (e)	24	22	32	41	36	30	23	19	14	14	13	16	14
Mixed change (f)	16	15	14	10	20	23	26	23	23	23	24	21	27
DK,NA	5	4	5	4	3	5	4	6	5	8	5	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

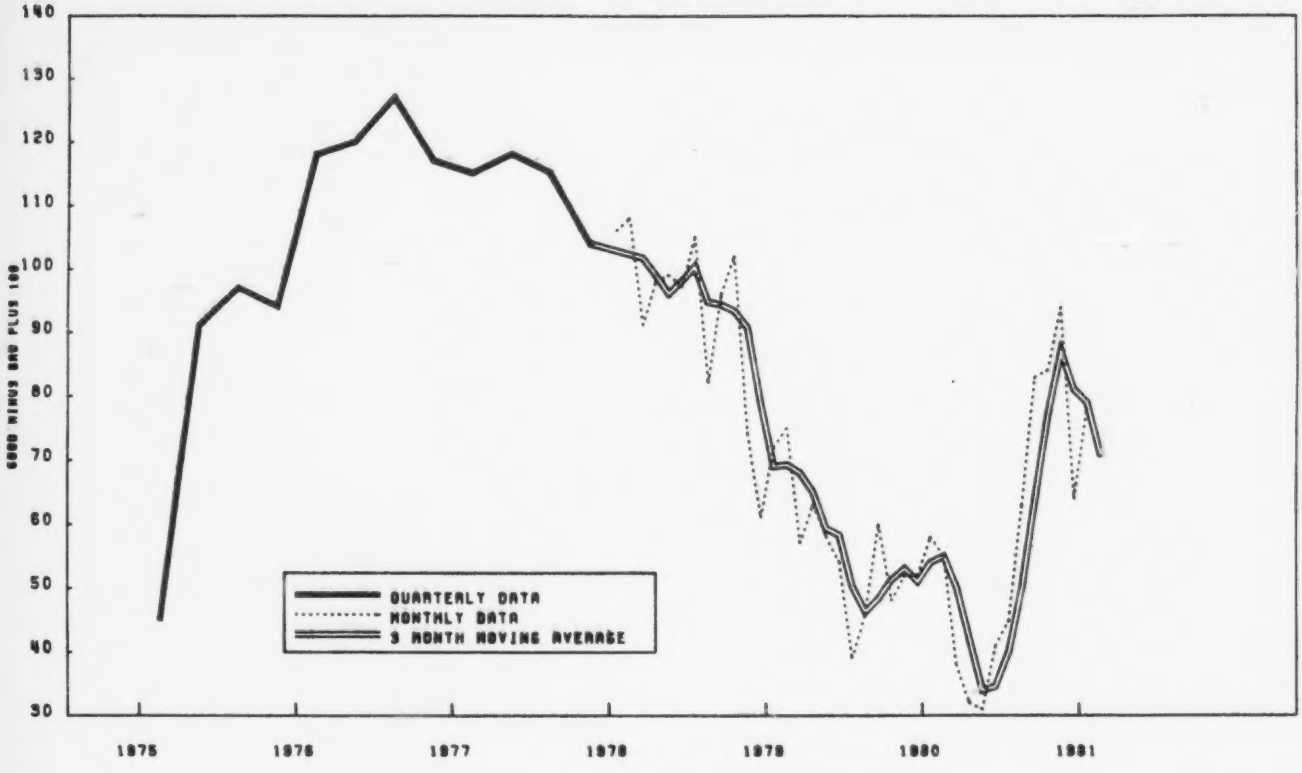

CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

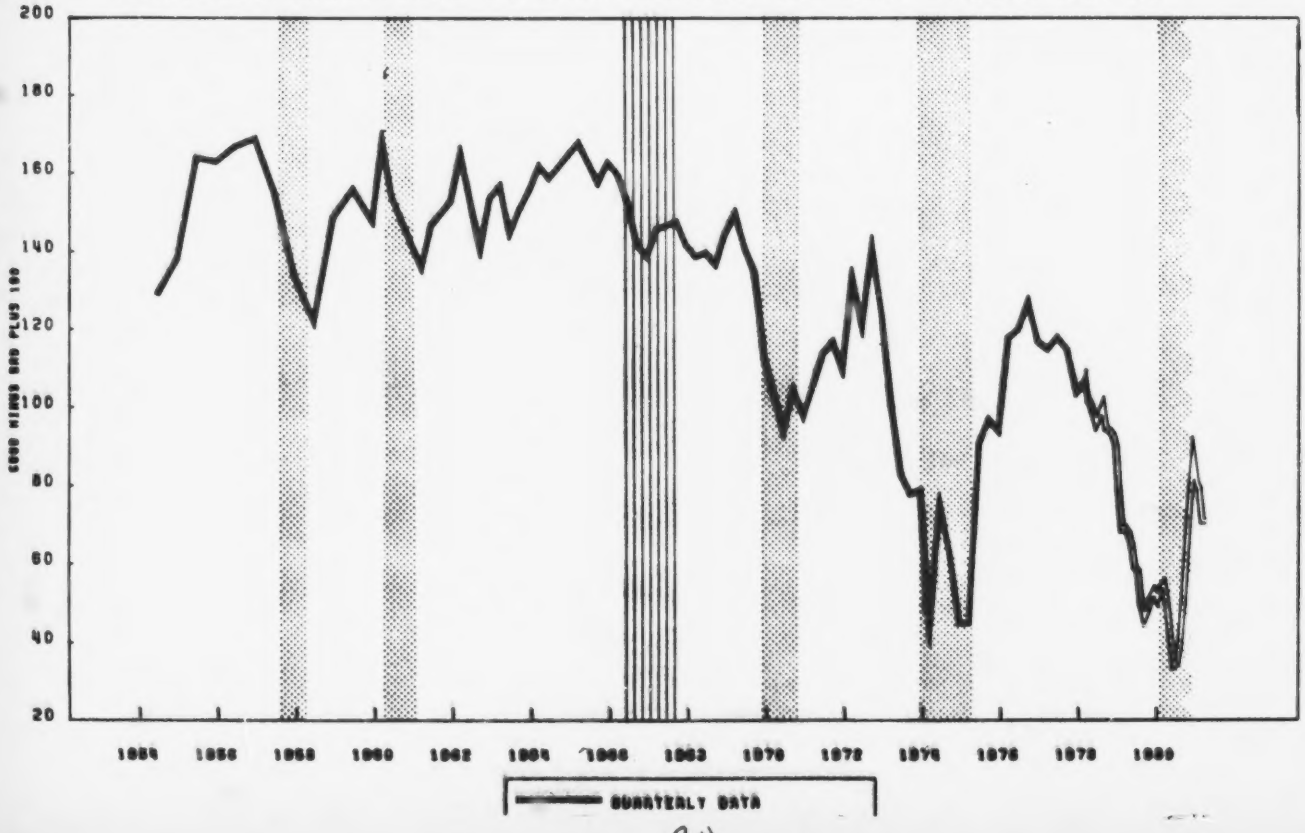

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIMES	24%	22%	14%	11%	13%	18%	19%	25%	35%	33%	39%	26%	31%
UNCERTAIN; GOOD & BAD	1	1	1	1	1	1	1	2	2	2	2	1	2
BAD TIMES	66	67	76	79	82	75	74	62	52	49	45	62	53
DON'T KNOW	4	5	4	4	3	4	4	7	7	8	8	7	10
NOT ASCERTAINED	5	5	5	5	1	2	2	4	4	8	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

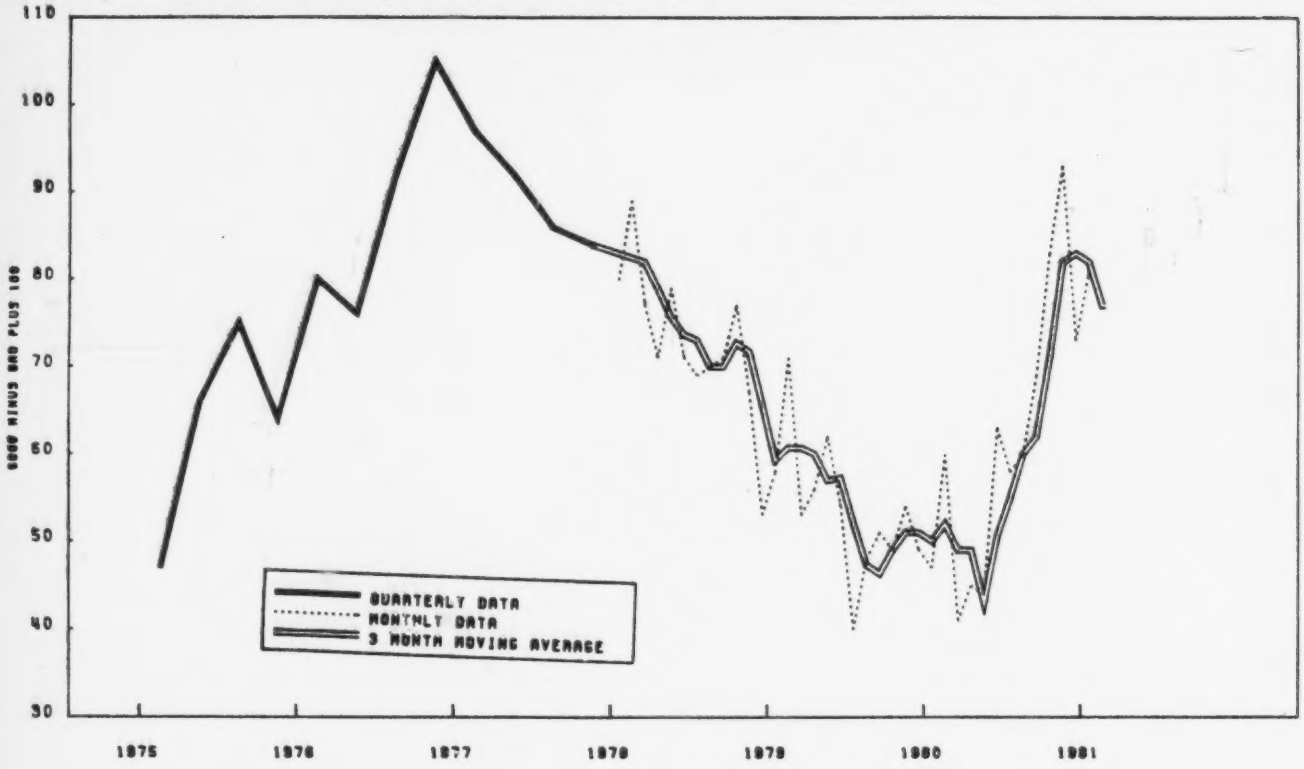

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

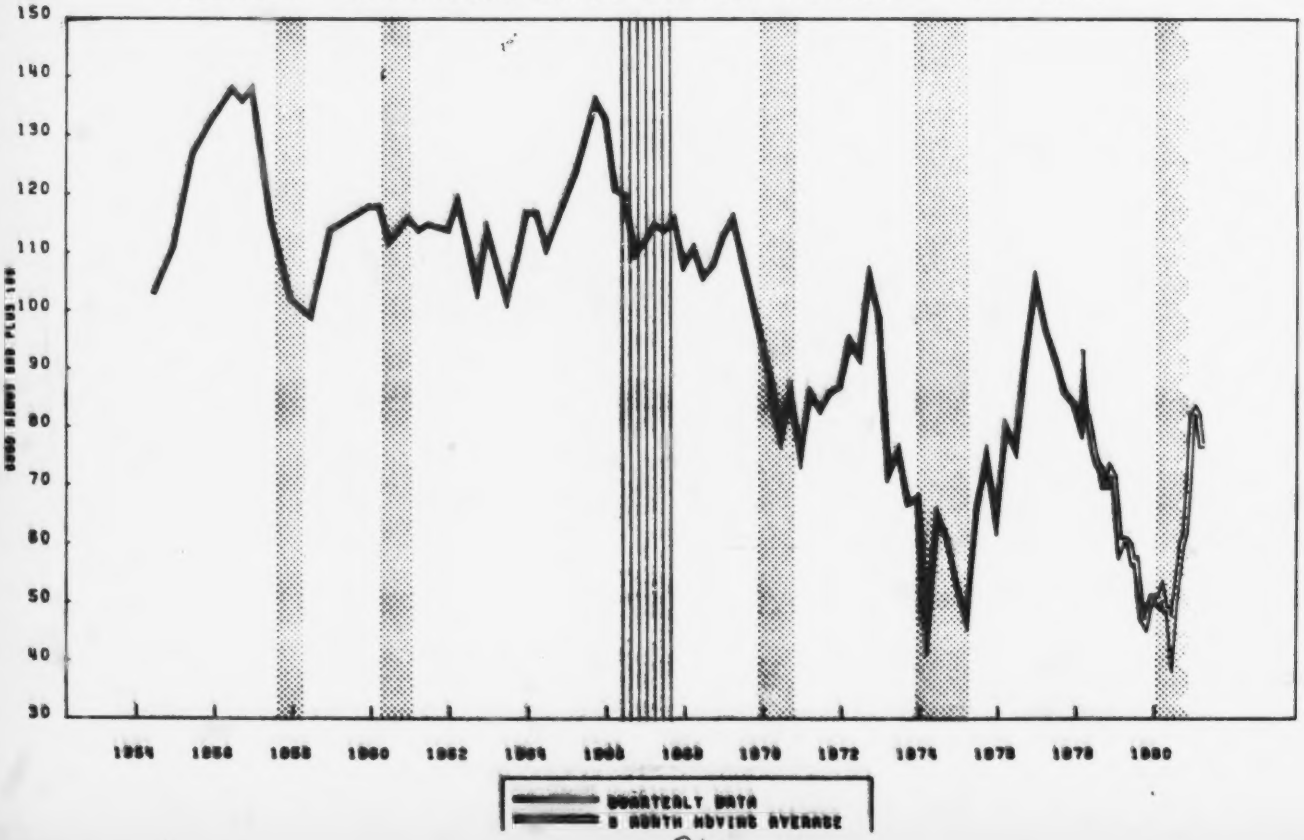

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIMES	17%	21%	13%	14%	15%	22%	19%	19%	25%	27%	36%	25%	30%
UNCERTAIN; GOOD & BAD	9	14	10	12	10	12	13	16	14	19	15	16	15
BAD TIMES	70	61	72	69	71	59	61	59	56	44	43	52	49
NOT ASCERTAINED	4	4	5	5	4	7	7	6	5	10	6	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

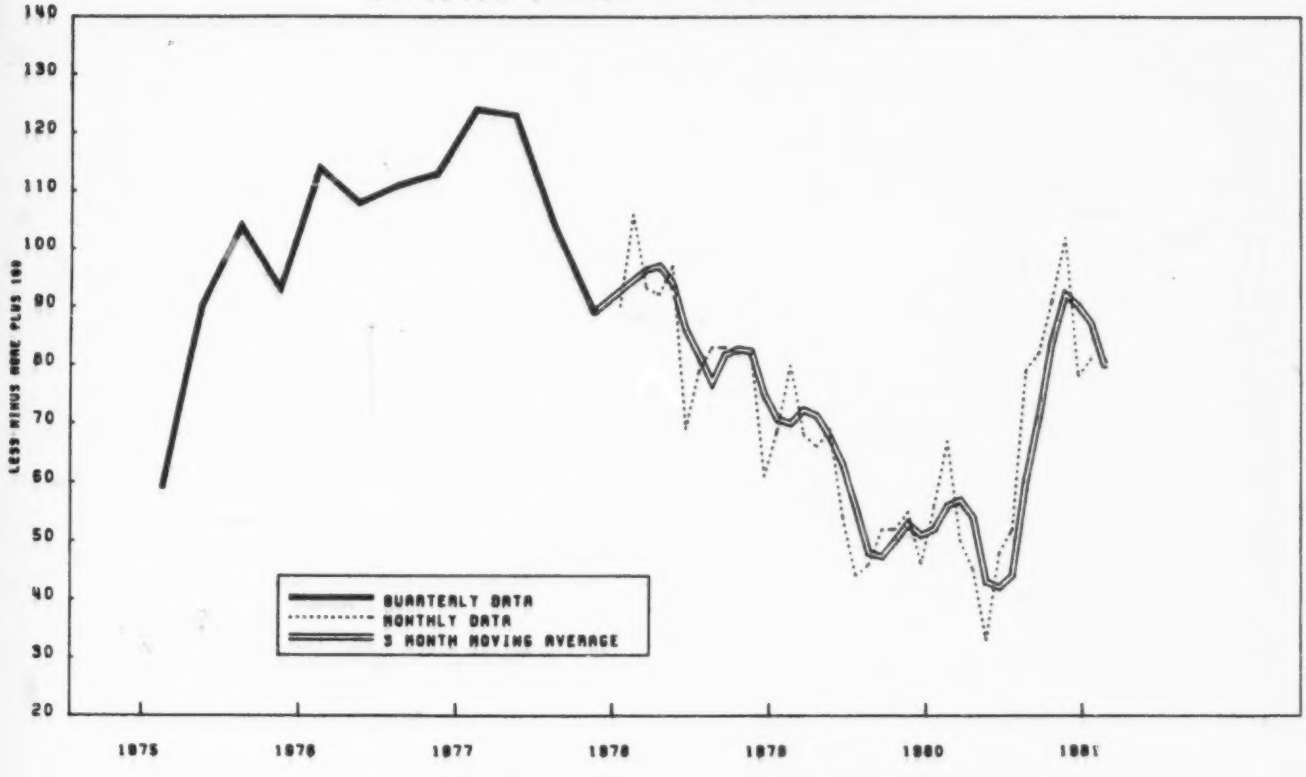

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

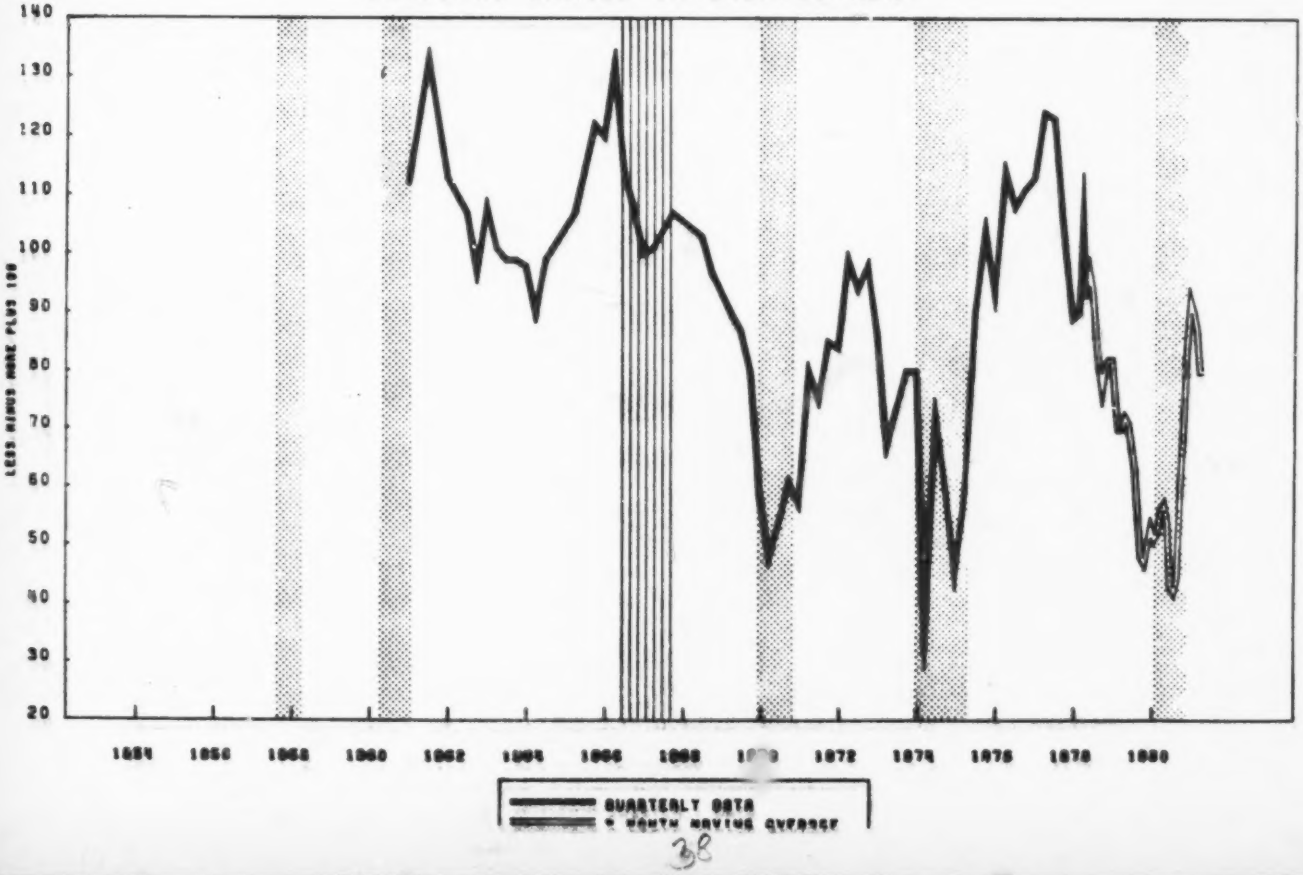

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
LESS	9%	13%	7%	7%	5%	11%	11%	19%	22%	21%	26%	17%	19%
SAME	34	38	35	29	23	25	30	38	36	46	47	41	41
MORE	54	46	57	62	72	63	59	40	40	30	24	39	38
DK,NA	3	3	1	2	*	1	*	3	2	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

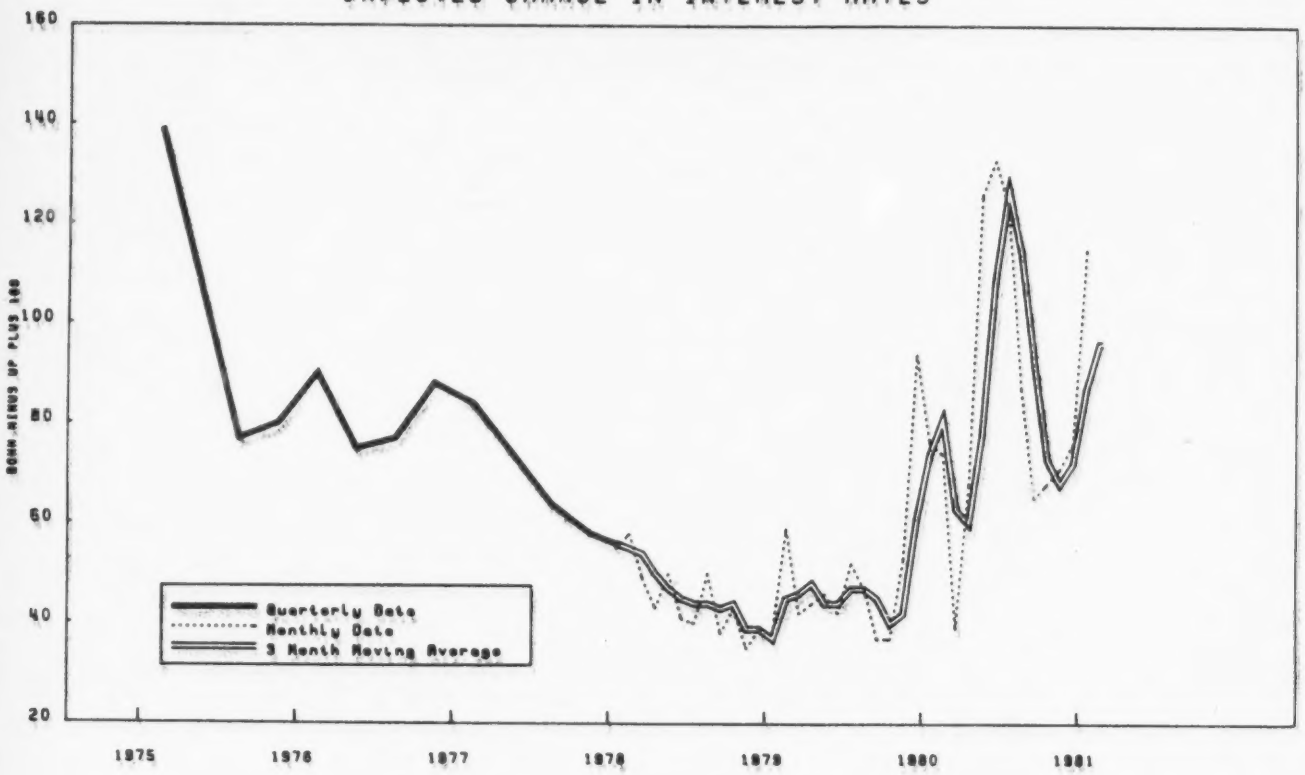

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

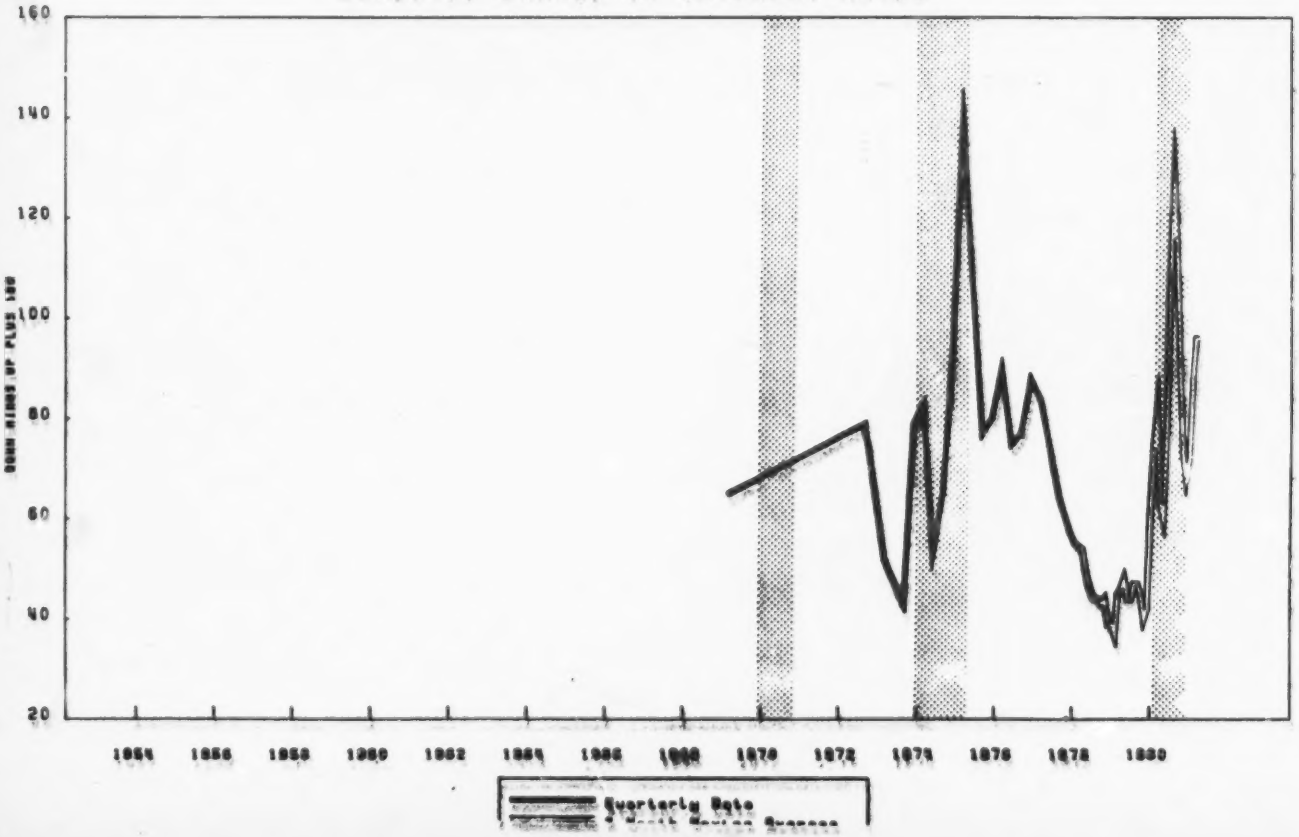

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GO UP	45%	47%	71%	56%	26%	21%	21%	39%	53%	49%	51%	53%	29%
STAY THE SAME	30	29	16	18	20	22	31	30	25	26	22	14	20
GO DOWN	21	21	10	24	52	54	44	26	18	17	22	29	44
DK,NA	4	3	3	2	2	3	4	5	4	8	5	4	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

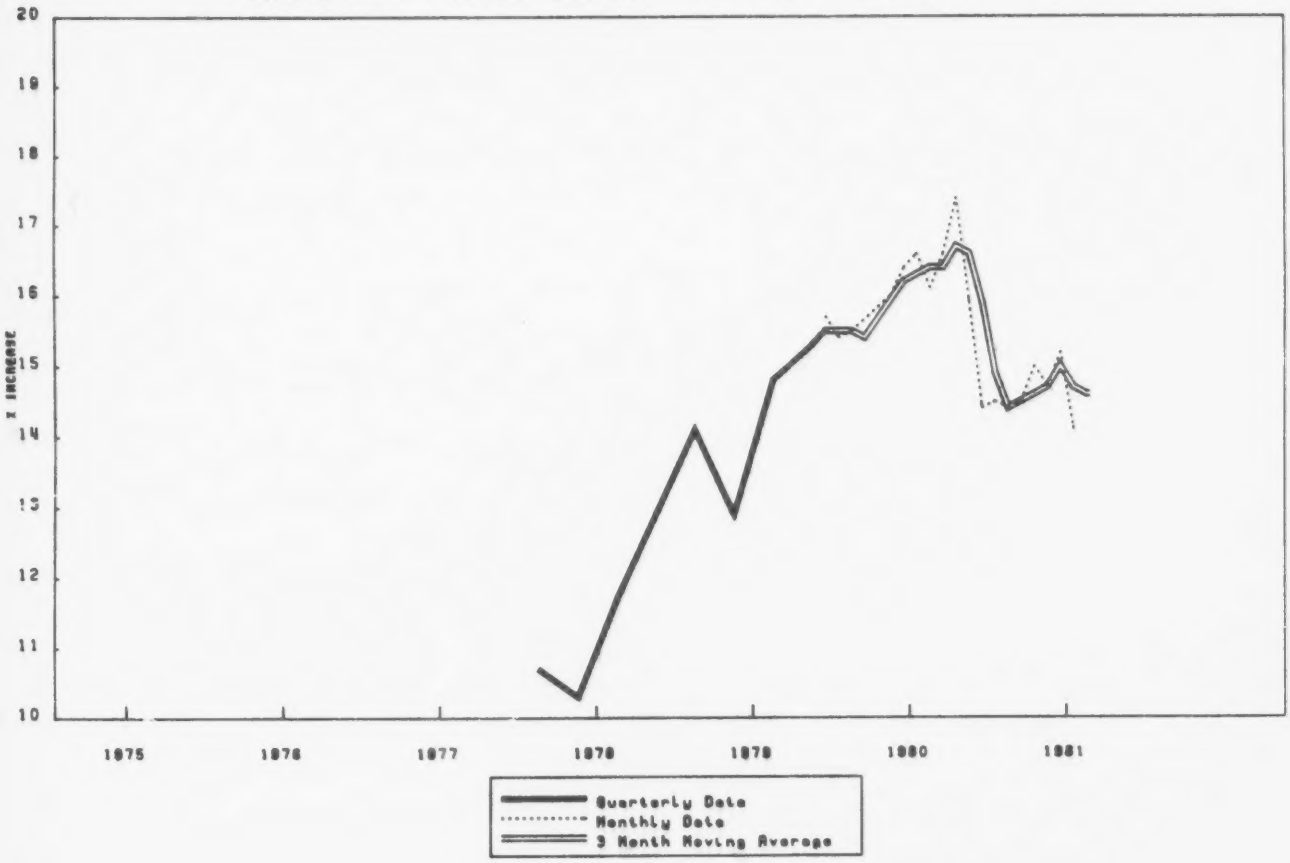

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
SAME OR DOWN	1%	3%	2%	2%	5%	6%	4%	4%	4%	2%	3%	2%	3%
GONE UP BY:													
1-2%	1	1	2	2	1	1	3	2	2	3	2	2	2
3-4%	4	3	5	3	4	3	5	6	5	4	4	3	4
5%	6	6	6	5	5	6	7	8	7	11	7	9	7
6-9%	6	9	8	9	6	10	11	12	9	11	12	9	8
10-14%	32	28	25	24	27	25	22	20	24	23	27	26	31
15% or more	35	38	41	43	37	33	29	32	31	32	29	32	28
DK how much up	15	12	11	12	15	15	18	15	17	14	16	16	17
DK,NA	*	*	*	*	*	1	1	1	1	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.6	16.1	16.6	17.4	15.9	14.4	14.5	14.4	14.5	15.0	14.7	15.2	14.1
VARIANCE	176	149	167	179	175	140	168	160	151	169	161	158	130
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

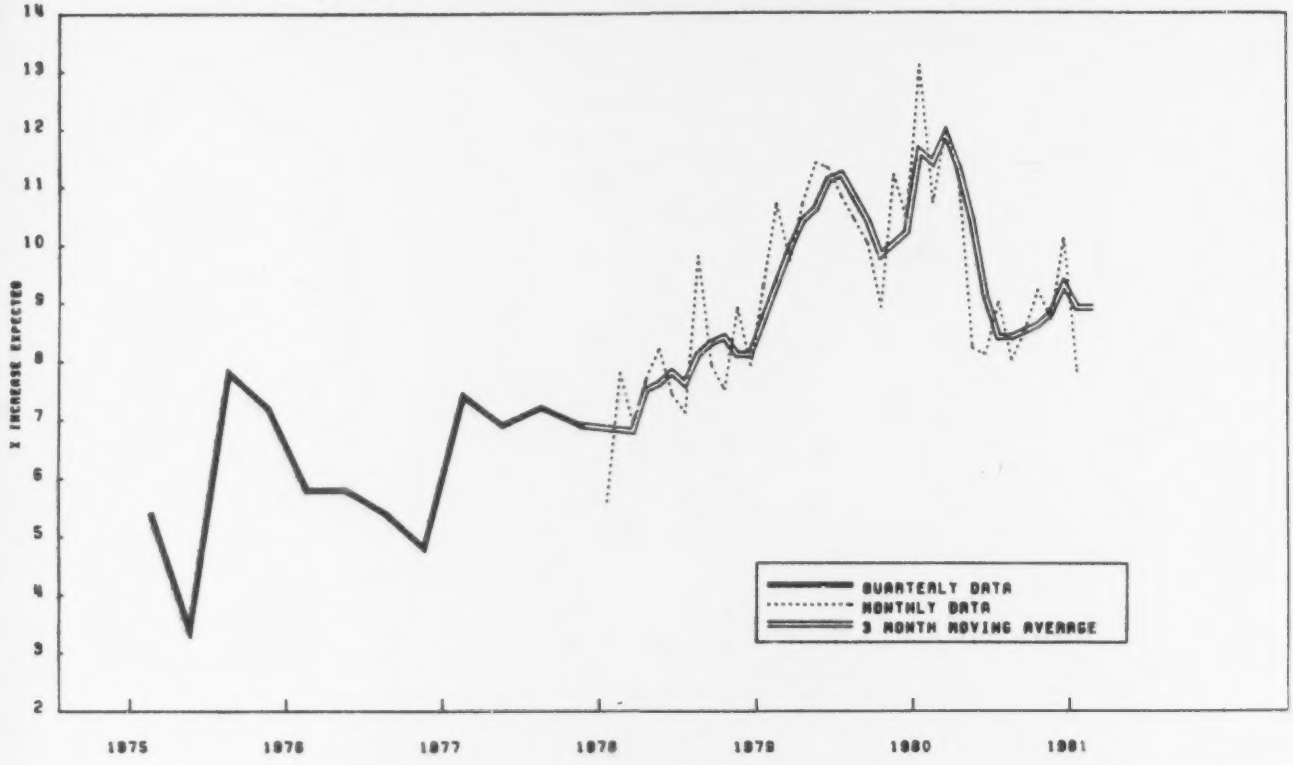

CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

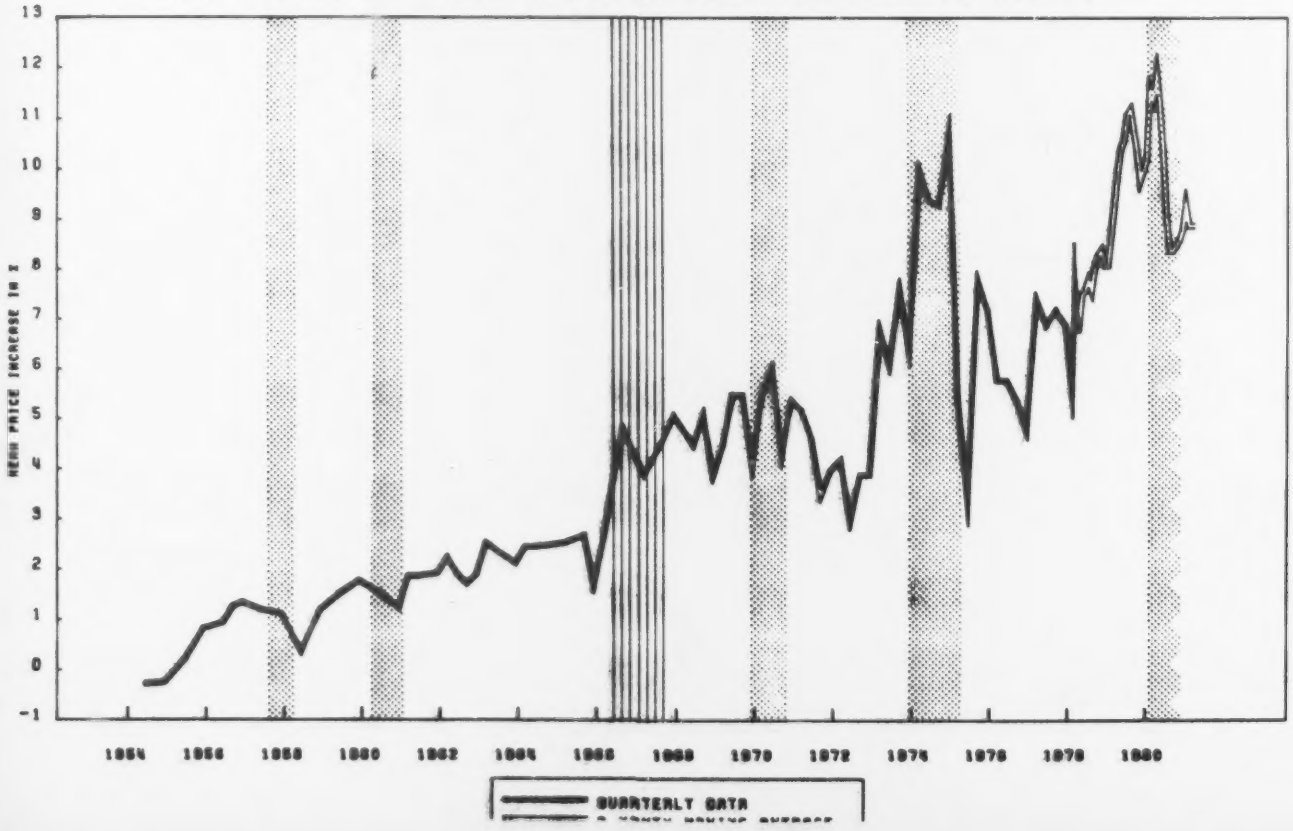

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
SAME OR DOWN	9%	8%	13%	20%	31%	27%	22%	18%	17%	20%	25%	17%	21%
WILL GO UP BY:													
1-2%	2	4	3	2	1	3	3	6	5	3	3	3	3
3-4%	4	4	4	3	4	6	5	7	5	6	5	5	6
5%	7	11	8	7	9	7	8	11	11	10	8	9	7
6-9%	12	12	9	8	9	10	10	12	10	10	12	11	12
10-14%	28	31	26	24	17	20	21	24	23	24	20	25	28
15% or more	25	19	27	25	18	14	15	10	13	16	14	18	9
DK how much up	11	10	7	9	10	10	13	11	13	9	11	10	11
DK,NA	2	1	3	2	1	3	3	1	3	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	13.1	10.7	12.0	11.1	8.2	8.1	9.0	8.0	8.5	9.2	8.7	10.1	7.8
VARIANCE	139	84	122	125	92	89	95	71	68	100	102	107	54
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

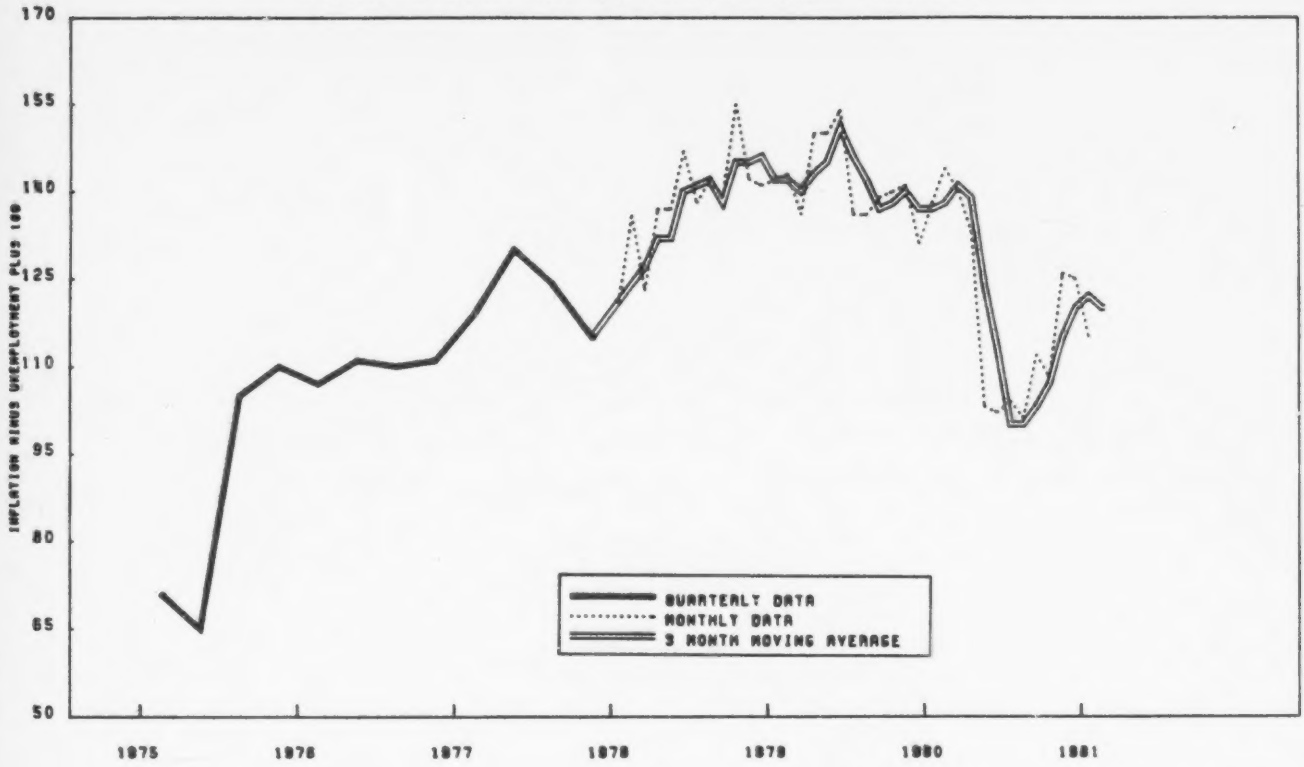

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

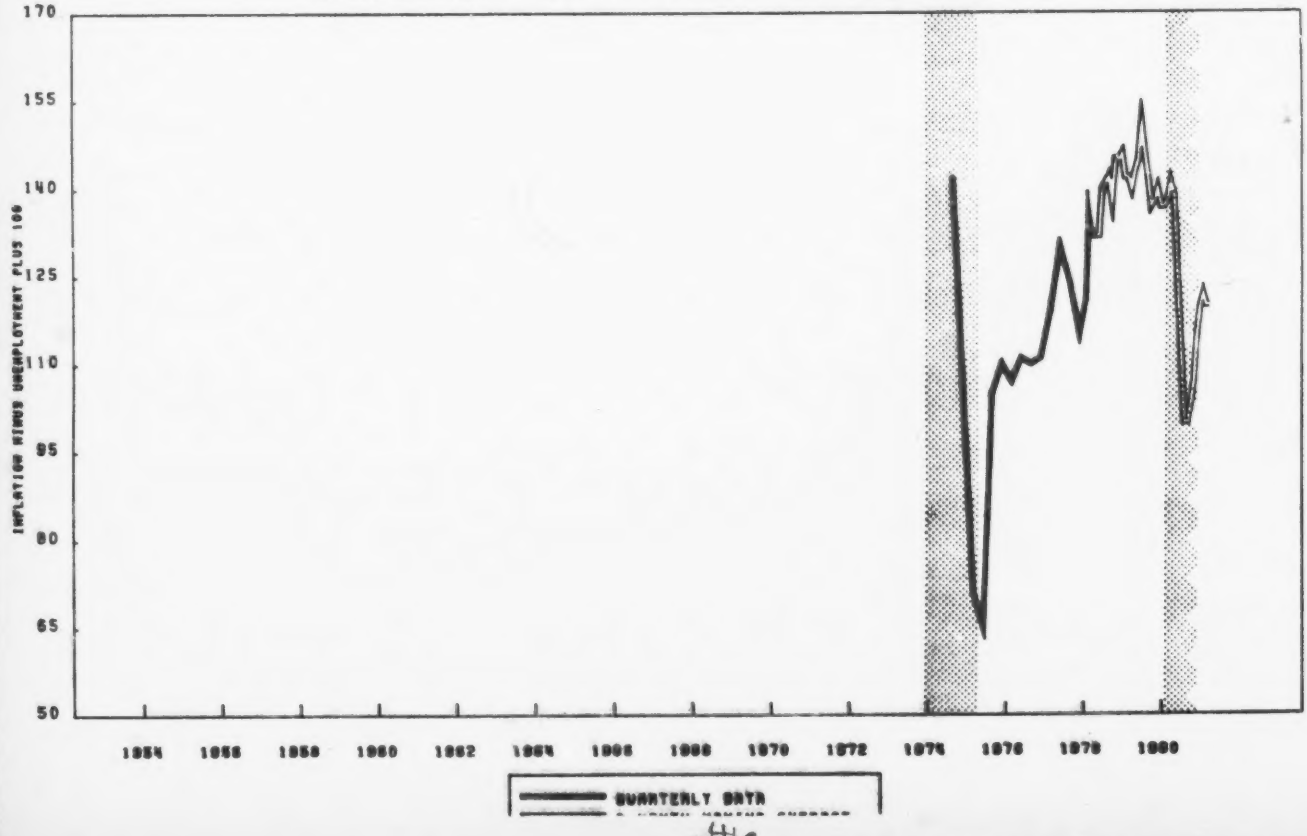

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
UNEMPLOYMENT	26%	24%	25%	26%	40%	43%	45%	43%	38%	40%	31%	32%	34%
BOTH EQUALLY SERIOUS	7	7	8	14	16	11	11	10	9	11	11	9	14
INFLATION	64	68	65	59	43	45	41	44	50	48	57	57	49
DK,NA	3	1	2	1	1	1	3	3	3	1	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

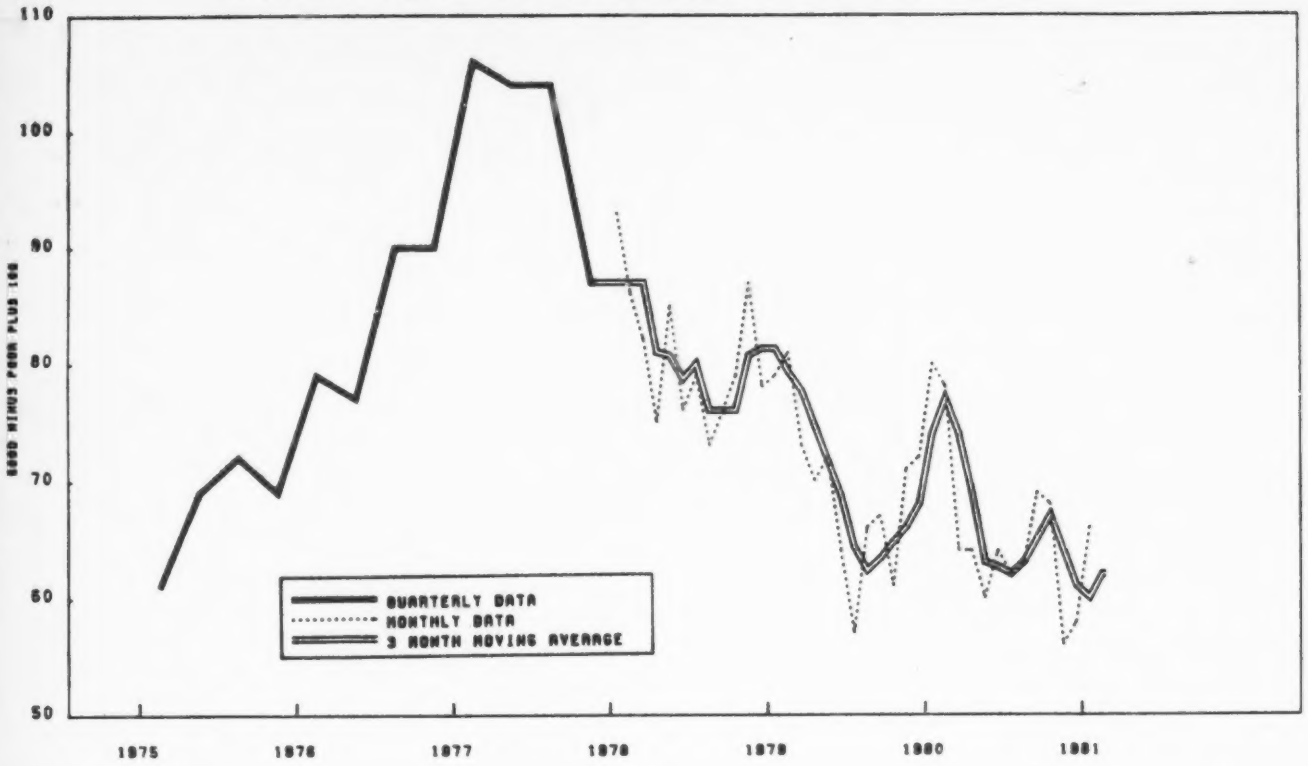

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

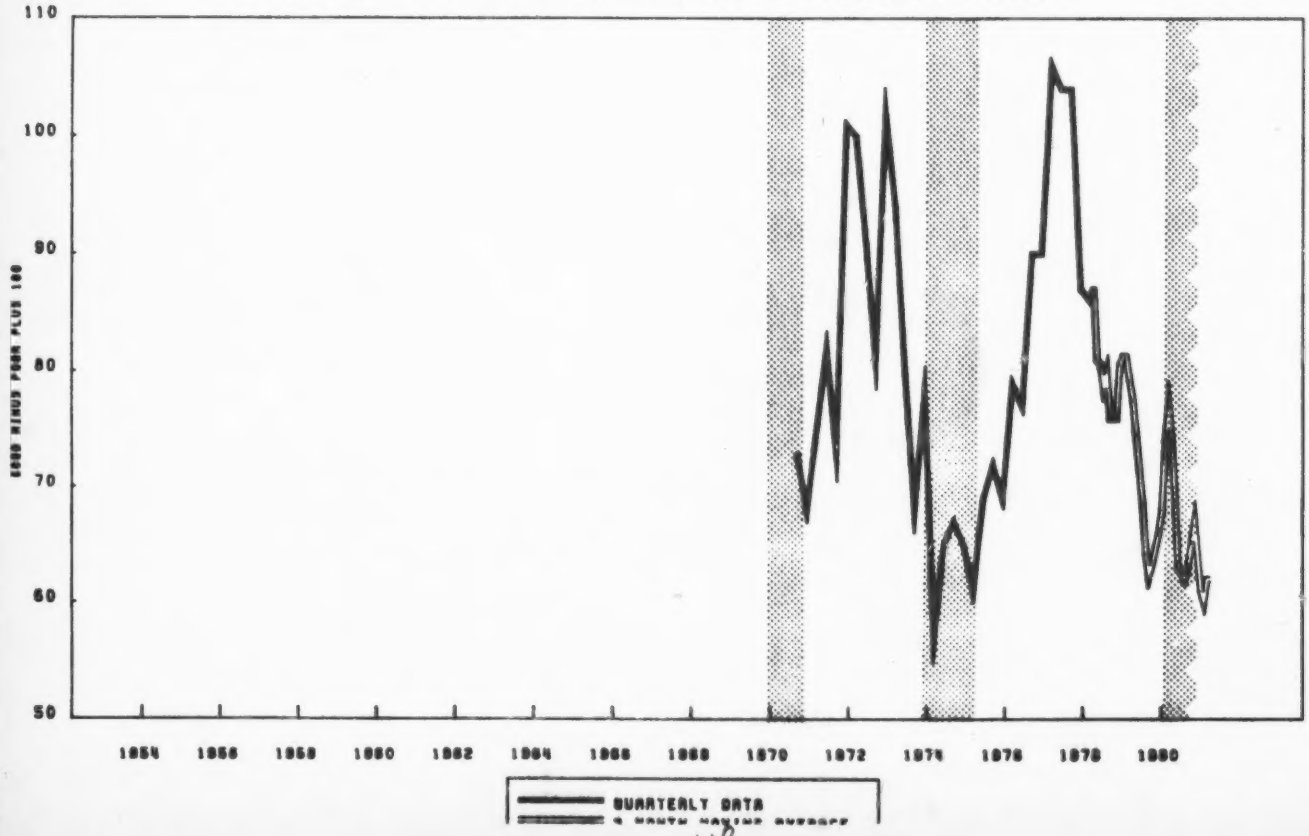

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
A GOOD JOB	11%	12%	7%	6%	5%	10%	9%	8%	10%	8%	6%	7%	10%
ONLY FAIR	54	51	46	48	48	40	41	45	46	50	41	42	42
A POOR JOB	31	34	43	42	45	46	47	45	41	40	50	49	44
DK,NA	4	3	4	4	2	4	3	2	3	2	3	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

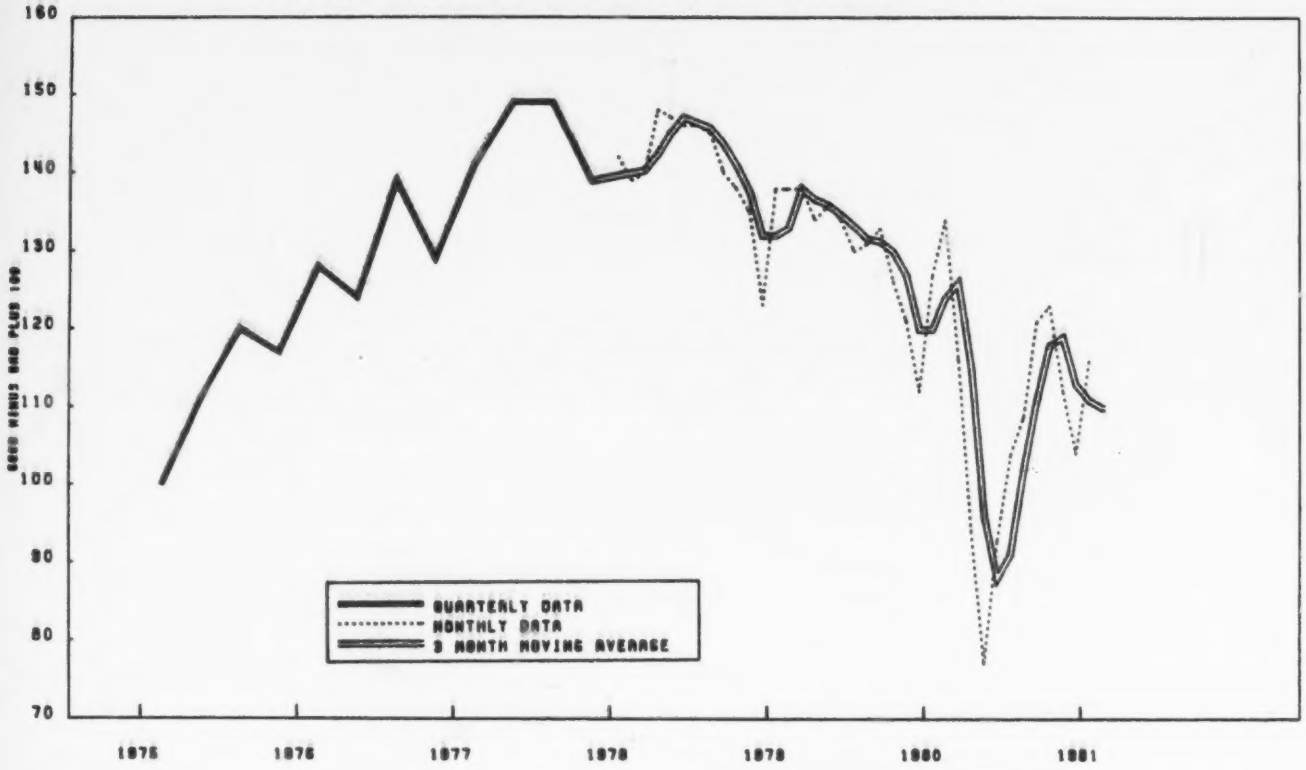

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

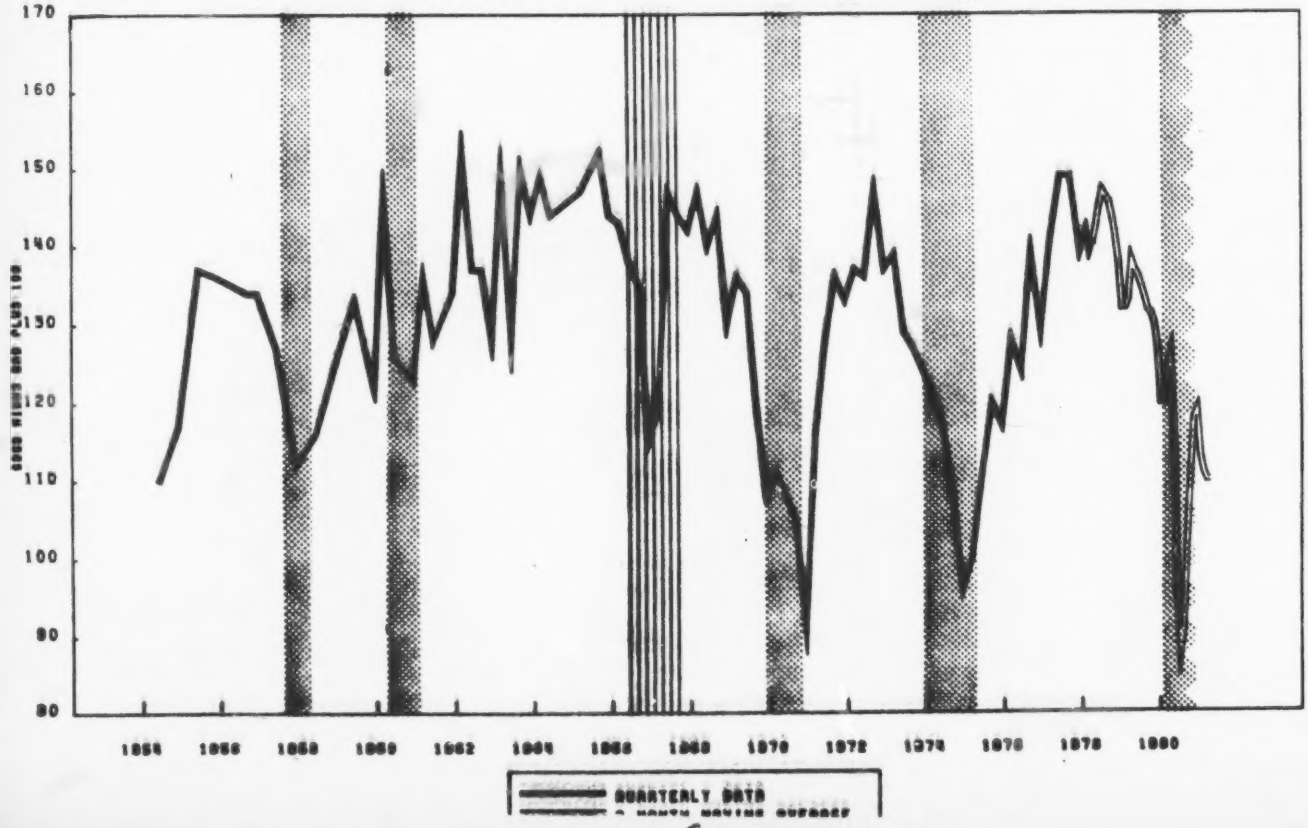

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY	60%	60%	54%	41%	35%	41%	44%	47%	52%	55%	50%	45%	50%
UNCERTAIN, DEPENDS	7	14	8	12	7	11	16	15	17	13	12	14	16
BAD TIME TO BUY	33	26	38	47	58	48	40	38	31	32	38	41	34
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	23%	12%	9%	14%	16%	19%	17%	18%	20%	20%	17%	23%
Prices won't come down; are going higher	47	33	43	28	23	26	22	27	31	30	31	24	28
Interest rates low; credit is easy	3	3	5	3	2	3	5	5	3	4	2	3	2
BAD TIME TO BUY:													
Prices are high	20	16	23	30	34	29	23	23	20	16	23	26	17
Interest rates are high; credit is tight	12	11	19	28	31	24	19	16	13	17	17	22	25
Lack of purchasing power	19	8	12	14	16	15	20	14	12	11	11	11	11

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY	36%	36%	32%	19%	18%	29%	34%	44%	38%	36%	28%	19%	18%
UNCERTAIN, DEPENDS	4	5	6	7	8	5	8	6	5	5	5	6	5
BAD TIME TO BUY	60	59	62	74	74	66	58	50	57	59	67	75	77
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	na	4%	na	4%	3%	6%	9%	9%	7%	4%	4%	4%	3%
Prices won't come down; are going higher		20		8	8	11	12	14	17	17	16	10	12
Interest rates low; credit is easy		9		3	6	16	23	28	22	16	10	6	4
Good investment		12		9	7	5	6	10	9	8	7	6	7
BAD TIME TO BUY:													
Prices are high		30		31	30	27	30	26	29	27	28	28	32
Interest rates are high; credit is tight		56		76	75	66	53	41	50	56	56	77	76
Lack of purchasing power		8		8	9	10	15	12	11	12	11	12	10

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

na : Not available.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

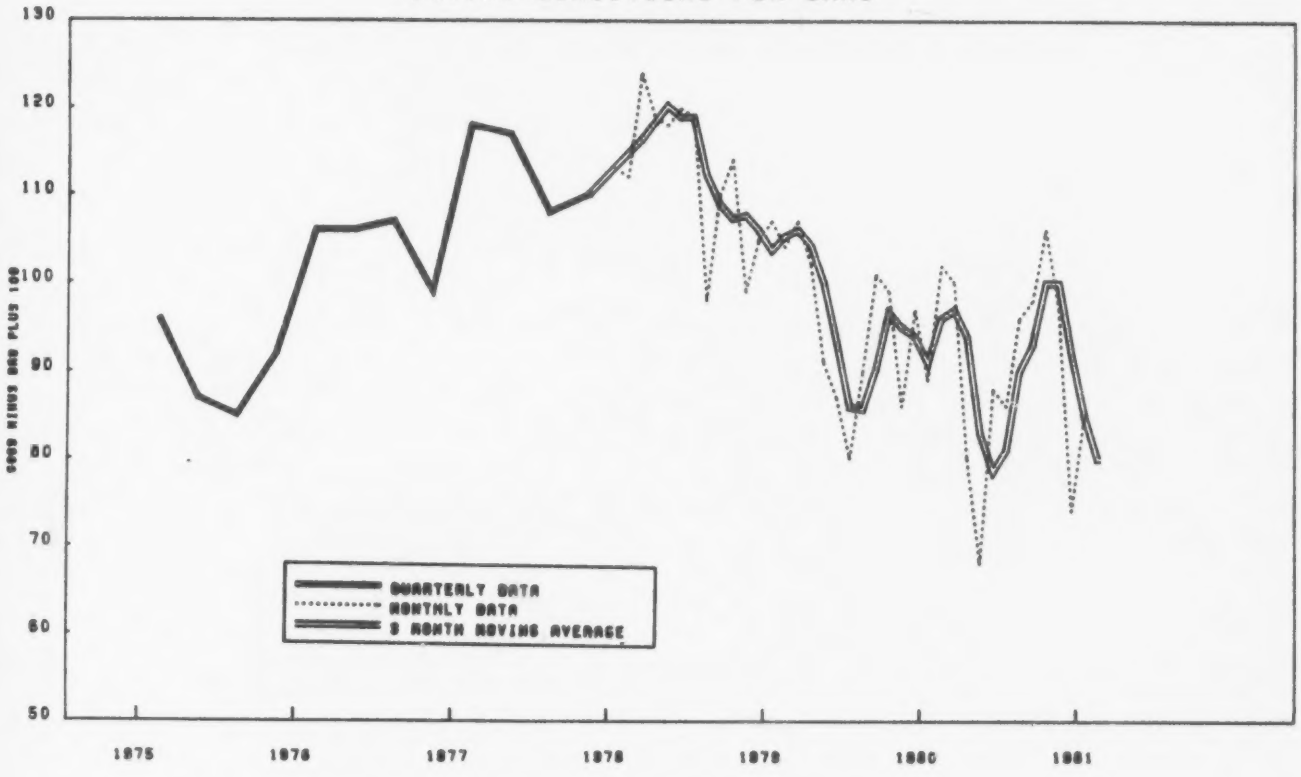

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

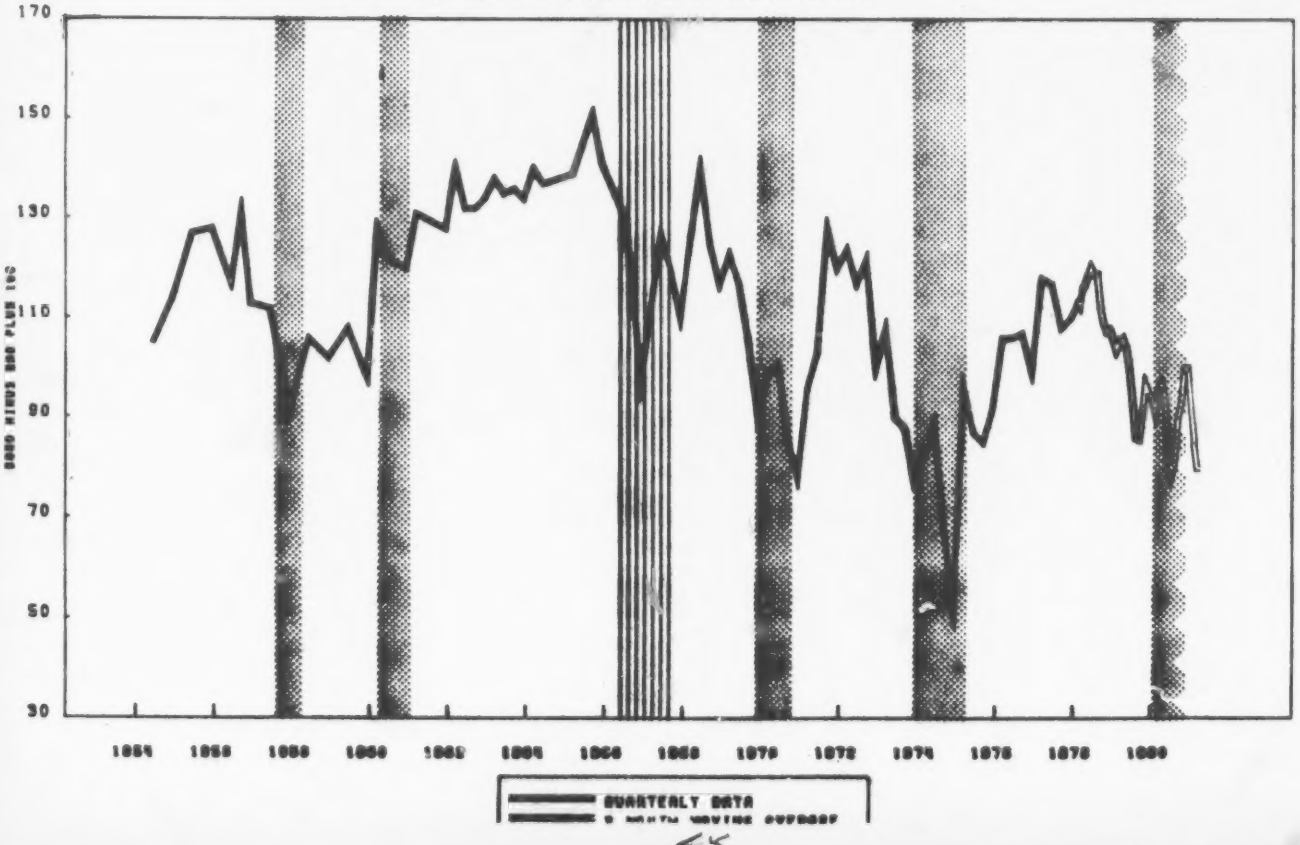

TABLE 30

BUYING CONDITIONS FOR CARS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY	40%	47%	45%	35%	29%	37%	36%	42%	42%	45%	41%	33%	36%
UNCERTAIN; DEPENDS	10	8	10	10	10	14	14	12	14	16	15	8	13
BAD TIME TO BUY	50	45	45	55	61	49	50	46	44	39	44	59	51
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	769	1019	707	719	703	688	668	658	682	685	694	684	698

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
GOOD TIME TO BUY:													
Prices are low; good buys available	13%	21%	19%	15%	25%	27%	25%	24%	20%	17%	17%	13%	18%
Prices won't come down; are going higher	22	19	22	10	8	9	13	12	19	17	16	12	13
Interest rates low; credit is easy	2	3	3	4	1	3	4	4	4	3	3	4	5
New fuel efficient models	8	14	13	12	6	5	3	7	9	12	7	5	4
BAD TIME TO BUY:													
Prices are high	31	22	25	32	30	24	27	27	31	23	28	31	33
Interest rates are high; credit is tight	13	14	17	24	29	22	11	11	10	14	17	29	28
Lack of purchasing power	9	4	6	6	7	6	9	9	6	8	7	9	7
Price of gas; shortages	19	13	16	16	15	9	6	5	5	4	4	5	4
Poor selection; quality	10	10	9	8	7	10	13	13	11	13	10	12	9

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PROBABLY WILL BUY	na	20%	na	16%	13%	12%	17%	16%	16%	15%	17%	14%	15%
CHANCES ARE EVEN		8		7	7	8	5	7	6	7	6	6	8
PROBABLY WILL NOT BUY		62		69	67	68	67	61	70	67	66	67	66
DK,NA		10		8	13	12	11	16	8	11	11	13	11
TOTAL		100%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES		1019		719	703	688	668	653	682	685	694	684	698

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

na : Not available.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	na	28%	na	23%	20%	20%	22%	23%	22%	22%	23%	20%	23%
PURCHASE TYPE:													
Buy new		14		11	7	9	10	8	11	12	11	8	11
Buy used		12		9	9	7	11	12	9	7	9	9	8
Lease		1		2	1	1	1	1	1	2	*	1	1
DK,NA		1		1	3	3	*	2	1	1	3	2	3
PURCHASE TIMING:													
Next 3 months		2		4	2	1	5	3	1	3	4	2	3
Next 4-6 months		7		6	6	6	5	5	6	4	3	3	5
Next 7-9 months		7		6	5	5	3	4	2	7	6	5	6
10 months or more		6		2	3	5	4	4	4	4	4	5	4
DK,NA		6		5	4	3	5	7	9	4	6	5	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

na : Not available.

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Jan. 1980	Feb. 1980	Mar. 1980	Apr. 1980	May 1980	June 1980	July 1980	Aug. 1980	Sept 1980	Oct. 1980	Nov. 1980	Dec. 1980	Jan. 1981
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	na	62%	na	69%	67%	68%	67%	61%	70%	67%	66%	67%	66%
PURCHASE TYPE:													
Would buy new		36		40	39	38	40	35	38	44	38	37	35
Would buy used		24		26	25	27	24	24	30	20	26	27	29
DK,NA		2		3	3	3	3	2	2	3	2	3	2
PURCHASE TIMING:													
Less than 2 years		7		8	7	6	4	6	5	5	6	7	6
2 years		21		14	17	21	20	18	23	20	23	20	17
3 years		7		12	10	11	10	8	12	15	11	12	12
4 years or more		17		20	19	20	21	21	18	15	15	18	19
Indefinite		3		6	4	3	4	4	4	3	5	3	5
DK,NA		7		9	10	7	8	4	8	9	6	7	7

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

na : Not available.

U7475-2 UA
2/27/81

February 11, 1981

JANUARY 1981 MONTHLY SURVEY

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SMALL IMPROVEMENT IN CONSUMER SENTIMENT

** In the January 1981 Survey, the Index of Consumer Sentiment was 71.4, up 6.9 Index points from the December 1980 reading, but 5.3 Index points below the November 1980 reading. Some seasonal factors may have contributed to both the 12 point decline recorded in December and the 7 point improvement recorded in January. The recent improvement was based on more favorable evaluations of business conditions, accompanied by decreases in interest rates and price expectations.

** Among families with incomes of $20,000 or more, the Index value was 74.8 in the January 1981 survey, up 7.9 Index points from the December reading, but below the November reading by 7.9 Index points. In comparison with a year ago, among all families as well as high income families, the Index of Consumer Sentiment in January 1981 was approximately 4 Index-points higher than in January 1980. The largest gains recorded in early 1981 were among residents of the North Central and Western regions, and among respondents aged 35 to 54. Across geographic regions, the ICS ranged from a low of 68.2 (Northeast) to a high of 74.4 (West), indicating an insignificant differential.

** Good times financially were expected in the economy as a whole during the next 12 months by 31 percent of all families, up from 26 percent in December and 24 percent in January 1980. Bad financial times were expected by 53 percent in January 1981, below the 62 percent recorded in December, and 66 percent recorded in January 1980. Good economic times during the next five years were expected by 30 percent of all respondents in January 1981, up from 25 percent in December and 17 percent in January 1980.

** Declines in interest rates and prices were expected in the January 1981 survey. Price expectations fell to 7.8% from 10.1% in December 1980. Declines in interest rates were expected by 44 percent of all families, up from 29 percent in December 1980.

** In the January 1981 surveys more than three in four families, a new all time record low level, held unfavorable attitudes towards buying conditions for houses, due to heightened concern with interest rates.

* * *

Consumer sentiment, after rising more than 20 Index points in the five months following the May 1980 low, has on balance remained largely unchanged during the past three months. Greatly heightened concern with interest rates has dominated unfavorable evaluations of business as well as buying conditions. At the same time, however, the election of President Reagan has increased optimistic expectations for improved business conditions. Consumer evaluations of their personal financial situation have remained near record low levels--and will continue to be strained in early 1981 with higher prices for gasoline and lower take-home pay due to higher Social Security tax rates. These data indicate that consumer sales of discretionary items will remain sluggish throughout the first half of 1981.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Personal Finances

Consumer evaluations of their own personal financial progress were unchanged in the January 1980 survey from one month earlier. Among all families, 25 percent stated that their families financial situation had improved during the past year (identical to the December 1980 reading), and 45 percent stated their financial position had worsened (down somewhat from 48 percent in December 1980). Overall, consumer evaluations of their current financial situation remained near record low levels. In comparison with a year earlier, fewer families reported being better off financially (down from 34 percent in January 1980 to 25 percent in January 1981), and families more frequently reported being worse off financially (from 38 percent in January 1980 to 45 percent in January 1981). When asked to explain why their financial situation had improved or worsened during the past year, respondents less frequently mentioned income increases in January 1981 (26 percent) than in January 1980 (34 percent), and more frequently mentioned the unfavorable impact of high and rising prices in early 1981 (46 percent) than a year earlier (39 percent).

Changes consumers expected in their personal financial situation during the next year were somewhat more favorable in January 1981 than one year earlier, and nearly equal to year ago readings. Among all families, 27 percent reported in January 1981 that they expected to be better off financially, up from 25 percent in December, and just below the 28 percent in January 1980. The proportion who expected a worsening personal financial situation fell to 18 percent in January 1981, from 25 percent in December, and 22 percent in January 1980.

As shown in Table A below, in the January 1981 survey, more than twice as many families report being better off financially compared with five years ago (52 percent) than compared with one year ago (25 percent). Families more frequently reported that their financial situation had worsened during the past year (45 percent) than compared with 5 years ago (34 percent). Changes expected in their personal financial situaton were more favorable over the longer rather than the shorter terms. In January 1981, 41 percent of all families expected to be better off financially during the next 5 years, above the 28 percent who reported that they expected to be better off financially in the year ahead. Interestingly, nearly identical proportions of families reported that they expected their financial situation to worsen during the year ahead (18 percent) as during the next five years (17 percent).

TABLE A

PERSONAL FINANCIAL SITUATION
(January 1981)

	Current Financial Situation Compared With...	
	One Year Ago	Five Years Ago
Better	25%	52%
Same	30	13
Worse	45	34
DK, NA	*	1
Total	100%	100%

	Financial Situation Expected...	
	In One Year	In Five Years
Better	28%	41%
Same	47	31
Worse	18	17
DK, NA	7	11
Total	100%	100%

Changes expected in nominal family income remain largely unchanged in early 1981 from year earlier readings. Among all families, 27 percent expected income increases of 10% or more, down somewhat from 29 percent in December and February 1980. Because short-term price expectations declined in early 1981, fewer families expected real income declines during the next year. In January 1981, 41 percent reported that they expected prices to go up by more than their income during the year ahead, down from 52 percent in January 1980. Despite this improvement in early 1981, one-in-three families continued to expect continuous declines in real incomes.

Business Conditions

Consumer evaluations of current business conditions were on balance unfavorable in the January 1981 survey, unchanged from the December 1980 survey. Among all families, 71 percent reported that business conditions were now worse than those of a year earlier, unchanged from the 72 percent recorded in December 1980, and above the 62 percent recorded a year earlier. Despite the lack of

improvement in current business conditions, changes expected in business conditions during the year ahead were more favorable in January 1981 than in December 1980. Among all families, 39 percent expected business conditions to improve, up from 29 percent in December 1980 and 17 percent in January 1980.

Overall, short term business expectations in January 1981 were much improved over the year earlier figures: in January 1981 consumers expected business conditions to improve rather than worsen by a margin of 39 to 16 percent, nearly the reverse of the unfavorable balance of the 17 versus 35 percent recorded in January 1980. Importantly, the proportion of families who reported both past and expected declines in business conditions fell from 24 percent in January 1980 to 14 percent in January 1981. When asked why they thought business conditions would improve or worsen during the year ahead, 35 percent of all respondents mentioned potential changes in government economic policies associated with the Reagan administration, up from 27 percent in December, and 34 percent in November 1980.

When asked about potential changes in federal taxes during the year ahead, 41 percent of all families reported that they expected tax reductions in the January 1981 survey, somewhat below the November 1980 reading, but significantly above the 25 percent recorded in the pre-election October 1980 survey (Table B). Overall, the Index of Consumer Sentiment was nearly 5 points higher among those who expected a tax cut (see Table C). The primary impact of the expected tax reduction was on prospects for short-term business conditions and personal finances. Buying attitudes were only marginally more favorable among those who expected tax reductions.

Declines Expected in Interest Rates and Prices

Interest rate declines were expected by 44 percent of all families in January 1981, up from 29 percent in December and 21 percent in January 1980. Interest rates were expected to increase during the year ahead by 29 percent in the January 1981 survey, down sharply from the 53 percent recorded in December and 45 percent recorded in January 1980. This represents the first survey in six months in which more families expected interest rates to decline than to increase.

Price expectations declined significantly in the January 1981 survey from month earlier and year earlier readings. Among all families, prices were expected to increase on average by 7.8% during the year ahead, down from 10.1% recorded in

TABLE B

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980	January 1981
Yes	25%	46%	41%
No	64	42	43
Uncertain; don't know	10	11	15
Not ascertained	1	1	1
Total	100%	100%	100%
Cases	685	694	698

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

TABLE C

IMPACT OF EXPECTATIONS OF TAX CUT ON CONSUMER SENTIMENT

(January 1981)

	Whether Respondent Expected Tax Cut During Next Year	
	Yes	No
Index of Consumer Sentiment	75.4	70.5
Personal Finances		
Expected during next year	119*	104
Business Conditions		
Expected during next year	137	113
Expected next five years	90	79
Market Conditions		
Household durables	124	115
Cars	89	86
Houses	48	36

*Table entries are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

December 1980, and 13.1% recorded in January 1981 (the all time record high level). During the past year, the proportion of families who expected prices to increase by 15% or more fell from 25 percent in January 1980, to 18 percent in December 1980, and to 9 percent in January 1981. At the same time, the expectation that prices would remain the same or decline in the year ahead grew from 9 percent in January 1980 to 17 percent in December, and 21 percent in January 1981.

Unemployment expectations remain largely unchanged in the January 1981 survey from one month earlier. Among all families, 38 percent expected unemployment to increase during the year ahead, nearly equal to the 39 percent recorded in December, but below the 54 percent recorded in January 1980. Unemployment was expected to decline by just 19 percent of all families in January 1981, up somewhat from the 17 percent recorded in December and 9 percent recorded in January 1980.

Housing Market Reaches New Low

Continued decline in favorable buying attitudes for houses was recorded in the January 1981 survey, along with some improvement in attitudes toward buying conditions for large houehold durables and automobiles. Tight credit conditions and high interest rates continued to dominate unfavorable attitudes in all three markets, while an increase in mentions of the availability of good buys and low prices was responsible for the small improvement in the automobile and household durable markets.

Attitudes towards buying conditions for houses reached a new all-time record unfavorable level in the January 1981 survey. Seventy-seven percent of all families held unfavorable attitudes in the January 1981 survey, up from 75 percent in December 1980, and 60 percent in January 1980. The January 1981 survey recorded the fifth straight monthly decline, following rapid improvement during mid 1980. While the proportion holding favorable buying attitudes posted only a slight decline from December 1980 (falling to 18 percent form 19 percent), twice as many families held favorable attitudes only one year ago (36 percent). In explaining their unfavorable views, 76 percent of all families cited high interest rates, similar to the 77 percent recorded in December, and equals the prior records set in April (76 percent) and May 1980 (75 percent).

The January 1981 survey recorded an increase in favorable attitudes toward buying conditions for large household durables, although they remain less favorable than three months or one year earlier. Favorable buying attitudes toward durables were held by 50 percent of all families in January 1981, up from 45

percent in December 1980, but below the 55 percent recorded in October 1980, and the 60 percent recorded in January 1980. The recent increase in favorable attitudes can be attributed to both increased mentions of good buys at low prices (23 percent in January 1981, up from 17 percent in December 1980), and fewer mentions of high prices (17 percent in January 1981, down from 26 percent in December). Unfavorable attitudes toward market conditions for durables remain dominated by references to high interest rates (25 percent).

Favorable attitudes toward automobile purchases increased slightly in January 1981 to 36 percent from 33 percent in December 1980. This increase was due for the most part to more frequent mentions of rebates and low prices (18 percent in January 1981, up from 13 percent in December 1980). Unfavorable attitudes toward buying conditions for cars declined in January 1981 to 51 percent, 8 percent below the December figure, and nearly equal to the 50 percent recorded in January 1980. However, mentions of high prices and high interest rates continue to dominate postponement rationales. Tight credit conditions and high interest rates were mentioned by as many respondents in January 1981 (28 percent) and December 1980 (29 percent) as during the credit restraint program in April (24 percent), May (29 percent) and June 1980 (22 percent).

During the past year, unfavorable attitudes toward the automobile market were much less frequently explained by references to the price and availability of gasoline (falling from 19 percent in January 1980 to 4 percent in January 1981), only to be replaced by more frequent complaints of high interest rates (rising from 13 percent in January 1980 to 28 percent in January 1981). Recent and expected increases in gasoline prices will again raise these concerns during the next year.

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The January 1981 survey included 698 interviews conducted between January 5 and January 29, 1981.